

COMPANY REGISTRATION NUMBER 356992

ACRE MILLS (UK) LIMITED
DIRECTORS' REPORT AND ACCOUNTS
31 MARCH 2008

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ACRE MILLS (UK) LIMITED

ACCOUNTS

YEAR ENDED 31 MARCH 2008

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ACRE MILLS (UK) LIMITED

COMPANY INFORMATION

The board of directors

Mr E Cook
Mr D K Rothery
Mr I Williamson

Company secretary

Mr E Cook

Registered office

Springstone House
PO Box 88
27 Dewsbury Road
Ossett
WF5 9WS

Auditor

KPMG Audit Plc
Registered Auditors
Leeds

ACRE MILLS (UK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2008

The directors have pleasure in presenting their report and the accounts of the company for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company made loans to its holding company.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £204,802 (2007 - £158,367). The directors have not recommended a dividend (2007 - £nil).

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE PARENT COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows:

	At 31 March 2008	At 1 April 2007
Mr E Cook	47,865	47,865
Mr D K Rothery	-	-
Mr I Williamson	<u>497,323</u>	<u>481,323</u>

No director had any beneficial interest in the shares of the company.

The directors have also been granted options in the shares of the parent company as follows:

	Options held 1 Apr 2007	Granted in period	Lapsed in period	Exercised in period	Options held 31 Mar 2008
Mr E Cook	210,000	34,000	-	-	244,000
Mr D K Rothery	93,000	18,000	-	-	111,000
Mr I Williamson	652,000	129,000	-	-	781,000

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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ACRE MILLS (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

AUDITOR

A resolution to re-appoint KPMG Audit Plc as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 384 of the Companies Act 1985.

Registered office:
Springstone House
PO Box 88
27 Dewsbury Road
Ossett
WF5 9WS

Signed by order of the directors



MR E COOK
Company Secretary

Approved by the directors on 28 January 2009.

ACRE MILLS (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2008

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 accounts;
- prepare the accounts 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 the accounts 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.

ACRE MILLS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ACRE MILLS (UK) LIMITED

YEAR ENDED 31 MARCH 2008

We have audited the accounts of Acre Mills (UK) Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the accounts 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 on page 4.

Our responsibility is to audit the accounts 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 accounts 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 accounts.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

ACRE MILLS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ACRE MILLS (UK) LIMITED *(continued)*

YEAR ENDED 31 MARCH 2008

OPINION

In our opinion:

- the accounts 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 March 2008 and of its profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

KPMG Audit PLC

KPMG AUDIT PLC
Registered Auditors
Leeds

28 January 2009.

ACRE MILLS (UK) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2008

	Note	2008 £	2007 £
TURNOVER		—	—
OPERATING PROFIT	2	—	—
Interest receivable	3	292,574	226,225
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>292,574</u>	<u>226,225</u>
Tax on profit on ordinary activities	4	(87,772)	(67,858)
PROFIT FOR THE FINANCIAL YEAR		<u>204,802</u>	<u>158,367</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 11 form part of these accounts.

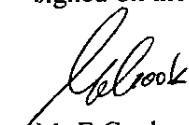
ACRE MILLS (UK) LIMITED

BALANCE SHEET

31 MARCH 2008

	Note	2008 £	2007 £
CURRENT ASSETS			
Debtors	5	4,607,678	4,382,972
CREDITORS: Amounts falling due within one year	6	<u>(87,772)</u>	<u>(67,868)</u>
NET CURRENT ASSETS		4,519,906	4,315,104
TOTAL ASSETS LESS CURRENT LIABILITIES		4,519,906	4,315,104
CAPITAL AND RESERVES			
Called-up share capital	7	4,400,000	4,400,000
Profit and loss account	8	<u>119,906</u>	<u>(84,896)</u>
SHAREHOLDERS' FUNDS	9	4,519,906	4,315,104

These accounts were approved by the directors and authorised for issue on 28 January 2009, and are signed on their behalf by:


Mr E Cook
Director

The notes on pages 9 to 11 form part of these accounts.

ACRE MILLS (UK) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

As permitted by FRS 1 (revised 1996) - 'Cash Flow Statements', the accounts do not include a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking and the ultimate holding company includes the company in its own published consolidated accounts.

Related party transactions

The company has taken advantage of the exemption to FRS 8 from disclosing transactions with related parties that are part of Carclo plc.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

2. OPERATING PROFIT

No salaries or wages have been paid to employees, including the directors, during the year.

The audit fee of £100 (2007 - £100) was charged to and paid by the holding company, Carclo plc.

3. INTEREST RECEIVABLE

	2008 £	2007 £
Interest from group undertakings	<u>292,574</u>	<u>226,225</u>

4. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year	87,772	67,868
Adjustments in respect of prior years	-	(10)
Total current tax	<u>87,772</u>	<u>67,858</u>

ACRE MILLS (UK) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2008

4. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 30% (2007 - 30%).

The reasons are as follows:

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>292,574</u>	<u>226,225</u>
Profit on ordinary activities by rate of tax	87,772	67,868
Prior year adjustment	-	(10)
Total current tax (note 4(a))	<u>87,772</u>	<u>67,858</u>

5. DEBTORS

Due within one year

	2008 £	2007 £
Amounts owed by group undertakings	<u>4,607,678</u>	<u>4,382,972</u>

The amounts owed by group undertakings attract interest at the rate of LIBOR + 1%, are unsecured and are repayable on demand.

6. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Corporation tax	<u>87,772</u>	<u>67,868</u>

7. SHARE CAPITAL

Authorised share capital:

	2008 £	2007 £
4,400,000 Ordinary shares of £1 each	<u>4,400,000</u>	<u>4,400,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>

ACRE MILLS (UK) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2008

8. PROFIT AND LOSS ACCOUNT

	2008	2007
	£	£
Balance brought forward	(84,896)	(243,263)
Profit for the financial year	<u>204,802</u>	<u>158,367</u>
Balance carried forward	<u>119,906</u>	<u>(84,896)</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit for the financial year	204,802	158,367
Opening shareholders' funds	<u>4,315,104</u>	<u>4,156,737</u>
Closing shareholders' funds	<u>4,519,906</u>	<u>4,315,104</u>

10. ULTIMATE PARENT COMPANY

The parent company and ultimate controlling party of the group of undertakings for which group accounts are drawn up and of which the company is a member is Carclo plc. Copies of Carclo plc's accounts can be obtained from Springstone House, 27 Dewsbury Road, Ossett, WF5 9WS.