

AAF Industries Limited

**Directors' report and financial
statements**

Registered number 03865868

30 June 2010



Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditors' report to the members of AAF Industries Limited	4
Profit and loss account	6
Balance sheet	7
Notes	8

Company information

Directors

EPC de Sa
SJM Goodburn
R Krumholectski

Company Secretary

AAF Consultants Limited

Registered Office

Catfoss Lane
Brandesburton
Drifffield
East Yorkshire
YO25 8EJ

Registered Number

03865868

Directors' report

The directors present their report on the affairs of the company together with the accounts for the year ended 30 June 2010

Principal activities and business review

The principal activity of the company is to act as holding company to a group of companies that specialise in the design, manufacture, installation and sale of modular buildings and cabins

There was no profit or loss for the year (2009 £nil)

Developments during the year

During the current year no investment income was earned and there were no changes in the company's investments. The principal risk for the company is the financial stability of its only subsidiary, Waco Modular UK Limited. As at 30 June 2010 the directors are of the opinion that the investment in Waco Modular UK Limited is fairly valued and that the loan receivable from Waco Modular UK Limited is recoverable. The directors do not recommend payment of a dividend (2009 £nil)

Directors

The directors who served during the year were as follows

EPC de Sa
SJM Goodburn
R Krumholski

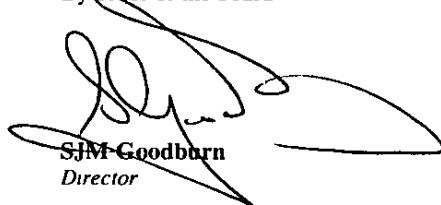
Disclosure of information to auditors

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

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



SJM Goodburn
Director

Catfoss Lane
Brandesburton
Drifffield
East Yorkshire
YO25 8EJ

3 December 2010

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).

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 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 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 the Companies Act 2006. 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.



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of AAF Industries Limited

We have audited the financial statements of AAF Industries Limited for the year ended 30 June 2010 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its result for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditors' report to the members of AAF Industries Limited *(continued)*

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

David Morritt (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

6 December 2010

Profit and loss account
for the year ended 30 June 2010

	<i>Note</i>	2010 £000	2009 £000
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Operating costs	2	-	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation		-	-
Taxation	3	-	-
		<hr/>	<hr/>
Loss for the financial year		-	-
		<hr/>	<hr/>

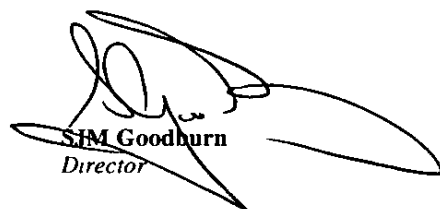
No statement of total recognised gains and losses has been presented as there have been no recognised gains or losses other than the profit for the financial year

The accompanying notes are an integral part of this profit and loss account

Balance sheet
at 30 June 2010

	<i>Note</i>	2010		Restated 2009	
		£000	£000	£000	£000
Fixed assets					
Investments	4		29,023		29,023
Current assets					
Debtors amounts falling due after more than one year	5	34,437		26,740	
Net current assets			34,437		26,740
Total assets less current liabilities			63,460		55,763
Creditors amounts falling due after more than one year	6		(10,270)		(2,573)
Net assets			53,190		53,190
Capital and reserves					
Called up share capital	7		11,271		11,271
Share premium account	8		43,645		43,645
Profit and loss account	8		(1,726)		(1,726)
Equity shareholders' funds	9		53,190		53,190

These financial statements were approved by the board of directors on 3 December 2010 and were signed on its behalf by


SIM Goodburn
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The Company is exempt from the requirement of FRS 1 (revised) to prepare a cash flow statement on the grounds that it is wholly owned subsidiary undertaking of Waco International Limited which produces publicly available consolidated financial statements incorporating the results of the company.

As the Company is a wholly owned subsidiary of Waco International Limited, incorporated in the Cayman Islands, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company's intermediate parent company, Waco Aus (Pty) Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction or at the forward exchange rate where forward contracts are in place. The related monetary assets and liabilities at the balance sheet date are translated at the rates of exchange ruling at that date. Any exchange differences are taken to the profit and loss account.

Fixed asset investment

Fixed asset investments are stated at cost less provision for impairment. Any such impairment in the value of investments is charged to the profit and loss account.

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Restatement of comparative amounts

Certain debtors and creditors have been restated in the comparative year to show the gross underlying balances on a basis consistent with that adapted in the current year. This had no impact on net assets.

Notes (continued)

2 Loss on ordinary activities before taxation

	2010 £000	2009 £000
Loss on ordinary activities before taxation is stated after charging		
Foreign exchange losses	-	-

The emoluments of the directors were borne by another group undertaking. The company had no employees. The audit fee for the financial statements was borne by another group undertaking. The charge that would have been attributable to the company is £1,000 (2009 £1,000)

3 Taxation

Analysis of charge in period

	2010 £000	2009 £000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Tax on loss on ordinary activities	-	-

Factors affecting the tax credit for the current period

The current tax credit for the period is lower than (2009 lower) than the standard rate of corporation tax in the UK (28%, 2009 28%). The differences are explained below

	2010 £000	2009 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	-	-
Current tax at 28% (2009 28%)	-	-
<i>Effects of</i>		
Group relief not paid for	-	-
Losses not recognised	-	-
Total current tax credit (see above)	-	-

A deferred tax asset of £136,000 (2009 £136,000) in respect of tax losses has not been recognised on the basis that its recovery is uncertain

Notes (continued)

4 Fixed asset investments

	Shares in group undertakings £000
Cost	
At beginning and end of year	29,023
Provisions	
At beginning and end of year	-
Net book value	
At 30 June 2010	29,023
At 30 June 2009	29,023

The company has investments in the following undertakings, all of which are 100% owned directly or indirectly by AAF Industries Limited

	<i>Country of registration</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>
Directly held			
Waco Modular UK Limited	England	Holding company	100% ordinary
Indirectly held			
AAF Finance Company Limited	England	Holding company	100% ordinary
AAF Consultants Limited	England	Non-trading	100% ordinary
Formscaff (UK) Limited	England	Non-trading	100% ordinary
AAF Properties Limited	England	Non-trading	100% ordinary
Premier Transline Hire Limited	England	Non-trading	100% ordinary
Premier Modular Buildings Limited	England	Non-trading	100% ordinary
Waco UK Limited	England	System and modular buildings	100% ordinary
Premier Group Holdings Limited	England	Non-trading	100% ordinary
Interlink Support Services Limited	England	Holding company	100% ordinary
Interlink Building Systems Limited	England	Non-trading	100% ordinary

The above listing excludes dormant and immaterial undertakings as the directors are of the opinion that a complete list would lead to a statement of excessive length

5 Debtors

	2010 £000	Restated 2009 £000
Amounts falling due after more than one year – amounts due from group undertakings	34,437	26,740

Notes (continued)

6 Creditors: amounts falling due after more than one year

	2010 £000	2009 £000
Amounts owed to group undertakings	10,270	2,573

Amounts owed to group companies are unsecured, interest free and repayable on demand. However, not withstanding that these amounts are repayable on demand each group undertaking to whom amounts are owed has indicated that it will not demand repayment of these amounts for at least twelve months from the balance sheet date. On this basis the directors consider it appropriate to classify these amounts as falling due after more than one year.

7 Called-up share capital

	2010 £	2009 £
<i>Authorised</i>		
1,000 ordinary "A" shares of £1 each	1,000	1,000
20,000,000 ordinary "B" shares of \$1 each	11,270,781	11,270,781
	<u>11,271,781</u>	<u>11,271,781</u>
<i>Allotted, called-up and fully paid</i>		
104 (2007 104) ordinary "A" shares of £1 each	104	104
20,000,000 ordinary "B" shares of \$1 each	11,270,781	11,270,781
	<u>11,270,885</u>	<u>11,270,885</u>

8 Share premium and reserves

	Share premium account £000	Profit and loss account £000
At beginning of year	43,645	(1,726)
Loss for the year	-	-
At end of year	<u>43,645</u>	<u>(1,726)</u>

Notes (continued)

9 Reconciliation of movements in equity shareholders' funds

	2010 £000	2009 £000
Loss for the financial year	-	-
Equity shareholders' funds at beginning of year	53,190	53,190
	<hr/>	<hr/>
Equity shareholders' funds at end of year	53,190	53,190
	<hr/>	<hr/>

10 Ultimate parent undertaking

The company is a subsidiary undertaking of Waco International Limited (formerly Waco Cayman Limited) incorporated in the Cayman Islands

The largest group in which the results of the company are consolidated is that headed by Waco International Limited (formerly Waco Cayman Limited). The consolidated accounts of this company are available to the public and may be obtained from

Waco International Limited
P O Box 650081
Benmore
2010
Johannesburg
South Africa