ANGLO ERI LIMITED

FINANCIAL STATEMENTS

FOR THE 11 MONTHS ENDED 31 MAY 2008

(Company registration number 6303767)

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ANGLO ERI Limited

FINANCIAL STATEMENTS for the 11 months ended 31 May 2008

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ANGLO ERI Limited

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	S H Hayes S G Wain P J Eady R S Jones
Company secretary	K Wain
Registered Office	Number 7, Mill Pool Nash Lane Belbroughton Stourbridge West Midlands DY9 9AF
Auditors	Clement Keys Chartered Accountants & Registered Auditors 39/40 Calthorpe Road Edgbaston Birmingham B15 1TS

ANGLO ERI Limited

DIRECTORS' REPORT for the 11 months ended 31 May 2008

The directors present their first annual report and audited financial statements for the 11 months ended 31 May 2008.

PRINCIPAL ACTIVITY

The principal activity of the Company is the manufacture of interior shopfittings.

BUSINESS REVIEW

The Company was formed on 5 July 2007. It acquired the trade and certain assets and liabilities of the Anglo CIL business from the Administrator in July 2007. The Company has traded satisfactorily during the 11 month period ended 31 May 2008 and the directors consider that the Company is soundly based both operationally and financially.

RESULTS AND DIVIDENDS

Profit for the period after taxation amounted to £966,092.

The directors do not recommend the payment of a dividend.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is reliant on the investment strategy of its principal customers in the retail sector. The Company's customers are indicating that their investment plans for the forthcoming year will continue and that the Company will, once again, be recognised as one of their preferred suppliers.

The Company monitors cash flow as part of its ongoing operational and control procedures. The board is satisfied that the Company has facilities which are adequate to fund both its existing operations and future expansion plans.

KEY PERFORMANCE INDICATORS

The board and senior management meet on a regular basis to monitor turnover, gross and net profit performance, value added per productive hour and future capacity requirements. These key performance indicators have all performed satisfactorily and in line with expectations during the period.

DIRECTORS

The directors who served the Company during the period were as follows:

S H Hayes (appointed 12 July 2007)
S G Wain (appointed 12 July 2007)
P J Eady (appointed 18 July 2007)
R S Jones (appointed 18 July 2007)
Ingleby Holdings Limited (appointed 5 July 2007 and resigned 12 July 2007)

The interests of the directors in the share capital of the ultimate parent undertaking, Estrella Group Limited, are shown in the financial statements of that Company.

CHARITABLE DONATIONS

During the period the company made charitable donations amounting to £712.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements the directors are required to:

- select suitable accounting policies, as described on page 8, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

On 12 July 2007, Clement Keys were appointed as auditors by the Board of Directors to fill a casual vacancy.

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Clement Keys will be put to the Annual General Meeting.

This report was approved by the board on 30 January 2009 and signed on its behalf by:

S G Wain
Director

REPORT OF THE INDEPENDENT AUDITORS to the members of Anglo ERI Limited

For the 11 months ended 31 May 2008

We have audited the financial statements of Anglo ERI Limited for the 11 months ended 31 May 2008 set out on pages 5 to 17. These financial statements have been prepared in accordance with 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

As described in the Statement of Directors' Responsibilities, the Company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 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.

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 May 2008 and of its profit for the 11 months 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.

Clement Keys

CLEMENT KEYS

Chartered Accountants
& Registered Auditors
39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

30 January 2009

ANGLO ERI Limited

PROFIT AND LOSS ACCOUNT for the 11 months ended 31 May 2008

	Note	11 Months Ended 31 May 2008 £
TURNOVER	2	**23,263,179**
Cost of sales		**(19,076,817)**
GROSS PROFIT		**4,186,362**
Selling and distribution costs		**(445,072)**
Administrative expenses		**(3,182,822)**
Goodwill	9	**994,398**
OPERATING PROFIT	3	**1,552,866**
Other interest receivable and similar income	6	**861**
Interest payable and similar charges	7	**(175,909)**
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**1,377,818**
Tax on profit on ordinary activities	8	**(411,726)**
RETAINED PROFIT FOR THE FINANCIAL PERIOD		**966,092**
Balance brought forward		**-**
Balance carried forward		**966,092**

All turnover and operating results are derived from continuing activities.

No statement of recognised gains and losses is given as all profits and losses are recognised above.

The notes on pages 8 to 17 form part of these financial statements.

ANGLO ERI Limited

BALANCE SHEET as at 31 May 2008

	Note	£	As at 31 May 2008 £
FIXED ASSETS			
Goodwill	9		**(403,272)**
Tangible assets	10		**797,333**
CURRENT ASSETS			
Stocks	11	**2,003,677**	
Debtors	12	**6,325,557**	
Cash in hand		**1,571**	
		8,330,805	
CREDITORS: Amounts falling Due within one year	13	**(7,517,855)**	
NET CURRENT ASSETS			**812,950**
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,207,011**
CREDITORS: Amounts falling due after more than one year	14		**(124,462)**
PROVISIONS FOR LIABILITIES AND CHARGES	16		**(16,457)**
NET ASSETS			**1,066,092**
CAPITAL AND RESERVES			
Called up share capital	17		**100,000**
Profit and loss account	18		**966,092**
EQUITY SHAREHOLDERS' FUNDS	19		**1,066,092**

These financial statements were approved by the directors on 30 January 2009 and signed on their behalf by:

P J Eady
DIRECTOR

S G Wain
DIRECTOR

The notes on pages 8 to 17 form part of these financial statements.

ANGLO ERI Limited

CASH FLOW STATEMENT for the period ended 31 May 2008

	Note	11 Months Ended 31st May 2008 £
Net cash flow from operating activities	20	**613,178**
Net cash out flow from returns on investments and servicing of finance	21	**(172,116)**
Net cash out flow from capital expenditure and financial investment	21	**(699,167)**
Cash outflow before financing		**(258,105)**
Net cash inflow from financing	21	**60,598**
Decrease in cash in the period	22	**(197,507)**

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 22) for the period ended 31 May 2008

Decrease in cash in the period	22	**(197,507)**
Net cash flow from new finance leases and hire purchase agreements	22	**(156,098)**
Movement in net debt in the period	22	**(353,605)**
Net debt at the start of the period		**-**
Net debt at 31 May 2008	22	**(353,605)**

The notes on pages 8 to 17 form part of these 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 Company's financial statements.

Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards basis.

Turnover
Turnover is recognised, net of discounts and Value Added Tax, with reference to the delivery and installation of goods, as this is the point at which the significant risks and rewards of ownership of the goods and services have been transferred to the customer.

Negative goodwill
Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking the difference is treated as negative goodwill and is capitalised and amortised through the profit and loss account in the period in which the non-monetary assets acquired are recovered. In the case of fixed assets this is the period over which they are depreciated, and in the case of current assets, the period over which they are sold or otherwise realised.

Depreciation
Depreciation is calculated to write off the cost of an asset, less the estimated residual value, over the useful life of that asset.

Plant and machinery	- acquired assets 20% straight line
	- purchased assets 10% straight line
Fixtures and fittings	- 33.3% straight line
Motor vehicles	- 33.3% straight line

Foreign currencies
Foreign currency transactions are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases
Operating lease rentals are charged to the profit and loss account on a straight line basis over the period the lease.

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet. Assets held under hire purchase agreements are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shortest. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Stocks
Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. In respect of work in progress and finished goods cost includes all direct costs of production and the appropriate proportion of overheads.

Pensions
The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Deferred Taxation
Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

2. TURNOVER

The turnover for the period is attributable to the Company's principal activity. An analysis of turnover by geographical market is given below:

	11 Months Ended 31 May 2008 £
United Kingdom	21,948,374
Rest of Europe	1,312,690
Rest of World	2,115
	23,263,179

The directors consider that the Company operates in one business segment.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

Auditors' remuneration:	
Audit	15,500
Depreciation and other amounts written off tangible fixed assets:	
Owned	116,121
Leased	14,662
Operating lease rentals:	
Land and buildings	367,365
Plant and machinery	52,484
Negative goodwill	
Amortisation	(92,789)
Realised during the period	(901,609)

4. DIRECTORS' EMOLUMENTS

Directors' emoluments	209,681
Pension contributions to money purchase pension schemes	10,000
	219,681

	Number of employees
Retirement benefits are accruing to the following number of directors under a Money Purchase Scheme	1

The total amount payable to the highest paid director in respect of emoluments and pension contributions was £209,681 and £10,000 respectively.

5. STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	11 Months Ended 31 May 2008
	Number of employees
Management and administration	47
Production and distribution	70
	117

The aggregate payroll costs of these persons were as follows:

	£
Wages and salaries	3,172,568
Social security costs	299,876
Other pension costs	13,513
	3,485,957

6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Bank interest receivable	861

7. INTEREST PAYABLE AND SIMILAR CHARGES

On bank loans and overdrafts	4,585
Intra group loan account interest	2,932
Other interest	160,298
Finance charges payable under finance lease and hire purchase contracts	8,094
	175,909

8. TAXATION

a) Analysis of charge for the period

The tax charge is made up as follows:	11 Months Ended 31 May 2008 £
UK corporation tax	
Current tax on profit for the period	395,269
Deferred tax:	
Origination and reversal of timing differences	16,457
Tax on profit on ordinary activities	411,726

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the effective standard rate of corporation tax in the UK for the period of 29.67%. The differences are reconciled below:

	2008 £
Profit on ordinary activities before tax	1,377,818
Taxation at the effective standard rate of 29.67%	408,799
Effects of:	
Capital allowances for the year in excess of depreciation	(16,457)
Expenses not deductible for tax purposes	3,986
Rate differences and other	(1,059)
Total current tax credit (see above)	395,269

c) Factors that may affect future tax charges

Changes to tax rates have recently been announced. The announced changes are set out below:

The small companies' rate of corporation tax increased to 21% from 1 April 2008 and will increase to 22% from 1 April 2009.

The main rate of corporation tax decreased from 30% to 28% on 1 April 2008 and the deferred tax position has been adjusted accordingly.

9. GOODWILL

The Company acquired the trade and certain assets of the Anglo CIL business from the Administrator in July 2007.

Net Assets Acquired	Book Values £	Fair Value Adjustments £	Fair Values £
Tangible fixed assets	523,108	(27,046)	496,062
Stock	1,285,028	-	1,285,028
Debtors	789,549	-	789,549
Creditors	(525,000)	(185,356)	(710,356)
	2,072,685	(212,402)	1,860,283
Cash consideration			(462,613)
Negative goodwill arising on acquisition			1,397,670
Cost			
Negative goodwill arising on acquisition			(1,397,670)
At 31 May 2008			**(1,397,670)**
Amortisation			
Credit for the period			92,789
Realised during the period			901,609
At 31 May 2008			**994,398**
Net book value			
At 31 May 2008			**(403,272)**

10 TANGIBLE FIXED ASSETS

	Plant, equipment, fixtures and fittings £
Cost	
At acquisition	496,062
Additions	432,054
At 31 May 2008	**928,116**
Depreciation	
Charge for the period	130,783
At 31 May 2008	**130,783**
Net book value	
At 31 May 2008	**797,333**

Included in the total net book value of tangible fixed assets at 31 May 2008 was £180,837 in respect of assets held under hire purchase agreements and finance leases.

11. STOCKS

	As at 31 May 2008 £
Raw materials and consumables	1,030,200
Work in progress	592,755
Finished goods and goods for resale	380,722
	2,003,677

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

12. DEBTORS

Trade debtors	5,866,564
Amounts owed by group undertakings	84,900
Other debtors	128,334
Prepayments and accrued income	245,759
	6,325,557

13. CREDITORS: Amounts falling due within one year

Bank loans and overdrafts	199,078
Trade creditors	1,749,694
Amounts owed to parent undertaking	594,811
Amounts owed to group undertaking	544,245
Obligations under hire purchase agreements and finance leases	31,636
Corporation tax	395,269
Other taxes and social security	573,111
Other creditors	2,946,514
Accruals and deferred income	483,497
	7,517,855

14. CREDITORS: Amounts falling due after more than one year

Obligations under hire purchase agreements and finance leases	124,462

15. SECURED DEBTS

	As at 31 May 2008 £
The following secured debts are included within creditors:	
Within amounts falling due within one year:	
Bank loans and overdrafts	199,078
Obligations under hire purchase agreements and finance leases	31,636
Other creditors	2,148,154
	2,378,868
Within amounts falling due after more than one year:	
Obligations under hire purchase agreements and finance leases	124,462

Bank loans and overdrafts are secured by a fixed and floating charge over all assets both present and future.

Obligations under hire purchase agreements and finance leases are secured over the relevant assets.

Other creditors are secured over book debts and related rights.

16. PROVISION FOR LIABILITIES AND CHARGES

The movement in deferred taxation during the period was:	
At beginning of the period	-
Movement in the period	16,457
At 31 May 2008	16,457
The elements of deferred taxation provided for at 28% are as follows:	
Difference between accumulated depreciation and amortisation and capital allowances	16,457
	16,457

17. SHARE CAPITAL

Authorised:	
On formation	1,000
Increased during the period	99,000
At 31 May 2008	100,000
Allotted, called up and fully paid	
On formation	2
Issued during the period	99,998
At 31 May 2008	100,000

On 17 July 2007 the Company increased its authorised share capital to 100,000 ordinary shares of £1 each and on the same day a further 99,998 ordinary shares of £1 each were issued and fully paid.

18. PROFIT AND LOSS ACCOUNT

	As at 31 May 2008 £
Profit after taxation for the period	966,092
At 31 May 2008	**966,092**

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	Total £
At formation	2	-	2
Retained profit for the financial period	-	966,092	966,092
Share issue - £1 ordinary shares	99,998	-	99,998
	100,000	**966,092**	**1,066,092**

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	11 Months Ended 31 May 2008 £
Operating profit	**1,552,866**
Amortisation of intangible fixed assets	**(994,398)**
Depreciation on tangible fixed assets	**130,783**
Increase in stocks	**(718,649)**
Increase in debtors	**(5,536,008)**
Increase in creditors	**6,178,584**
	613,178

21. ANALYSIS OF CASH FLOWS FOR HEADINGS IN THE CASH FLOW STATEMENT

Returns on investments and servicing of finance	
Interest received	**861**
Interest paid	**(164,883)**
Interest element of finance lease and hire purchase payments	**(8,094)**
Net cash outflow from returns on investments and servicing of finance	**(172,116)**
Capital expenditure and financial investment	
Purchase of tangible fixed assets	**(236,554)**
Acquisition of the trade and certain assets of Anglo CIL	**(462,613)**
Cash outflow from capital expenditure and financial investment	**(699,167)**
Financing	
Ordinary share capital	**100,000**
Capital element of hire purchase payments	**(39,402)**
Net cash inflow from financing	**60,598**

22. ANALYSIS OF CHANGES IN NET DEBT

	5 July 2007 £	Cash Flow £	31 May 2008 £
Cash at bank and in hand	-	1,571	1,571
Bank overdraft	-	(199,078)	(199,078)
	-	(197,507)	(197,507)
Debt:			
Hire purchase:			
Due within one year	-	(31,636)	(31,636)
Due after more than one year	-	(124,462)	(124,462)
	-	(156,098)	(156,098)
Change in net debt	-	(353,605)	(353,605)

23. COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	31 May 3008	
	Land and Buildings £	Other £
Operating leases which expire:		
In the second to fifth years inclusive	110,000	92,016
Over five years	385,000	1,300
	495,000	93,316

24 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS AND FINANCE LEASES

	2008 £
Finance commitments under hire purchase agreements and finance leases included within creditors are analysed as follows:	
Amount payable within one year	31,636
Amount payable within two to five years	124,462
	156,098

25. PENSION SCHEME

The Company operates a defined contribution scheme for certain of its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The charge for the period was £13,513 and included within other creditors is an amount of £nil.

26. RELATED PARTY DISCLOSURES

Messrs Hayes and Wain are directors of Estrella Group Limited, the Company's ultimate parent undertaking.

Messrs Hayes, Wain and Jones are directors of CDM Shopfitting Limited, CDM Displays Limited and ERI Limited, fellow subsidiary undertakings.

The following transactions have been carried out under normal commercial trading terms:

	Period ended 31 May 2008 £
Estrella Group Limited	
Management charges from Estrella Group Limited	**680,000**
Other recharges from Estrella Group Limited	**20,368**
Sales	**11,149**
Intra group loan account interest paid	**2,932**
CDM Shopfitting Limited	
Purchases	**4,464**
Sales	**87,198**
CDM Displays Limited	
Management charge to CDM Displays Limited	**12,144**
ERI Limited	
Purchases	**1,381,838**
Sales	**40,726**

At 31 May 2008 amounts owed to the Company's ultimate parent undertaking and the Company's fellow subsidiary undertakings amounted to £594,811 and £544,245 respectively. Amounts owed by fellow subsidiary undertakings amounted to £84,900.

27. CONTINGENT LIABILITY

The Company is party to a number of composite guarantees whereby it has guaranteed the indebtedness of its parent company and a number of its fellow subsidiary companies. At 31 May 2008 the composite indebtedness towards which the Company contributed was £1,645,923.

The Company is part of a VAT group registration. The other group members are Estrella Group Limited and Estrella Interiors Limited. At 31 May 2008 both Estrella Group Limited and Estrella Interiors Limited had amounts owing.

28. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company is a subsidiary undertaking of Estrella Group Limited, incorporated in Great Britain. Copies of the financial statements of this entity are available from Number 7, Mill Pool, Nash Lane, Belbroughton, Stourbridge, West Midlands, DY9 9AF. The directors consider the ultimate controlling party is Mr S H Hayes by virtue of his controlling shareholding in Estrella Group Limited.