

EXPECTRUM LIMITED

**Directors' Report and Financial Statements
for the period ended 31 March 2014**

Company Registration No. 06475825

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Company Information

Directors	C Giles R Leeming F van den Bosch Charterhouse Corporate Directors Limited
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Registered Office	7 th Floor Warwick Court Paternoster Square London EC4M 7DX
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Company Registration Number	06475825
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Directors' Report

The directors present their report, together with the financial statements of Expectrum Limited (the "Company") for the period ended 31 March 2014 ("2014" refers, throughout the financial statements, to the period from 1 September 2013 to 31 March 2014).

Change of accounting reference date

On 18 December 2013 the Company changed its accounting reference date from 31 August to 31 March.

Principal activities

The principal activity of the Company was to act as an investment holding company.

Review of the business

During the period the Company performed in line with its directors' expectations. The Company's loss for the period from 1 September 2013 to 31 March 2014 was £2,843,000 (2013 £128,000 (loss)) which has been transferred to reserves. At 31 March 2014 the Company had a net shareholders' deficit of £2,413,000 (2013 £430,000 (net shareholders' funds)). The results of the Company are set out on pages 5 to 7.

On 14 November 2013 DMWSL 586 Limited, a wholly owned subsidiary of the Company, sold its entire shareholding in Rio 587 Limited (formerly DMWSL 587 Limited), to Arthur J Gallagher & Co., a company incorporated in the USA and registered in Delaware. Subsequent to this event DMWSL 586 Limited was placed into creditors' voluntary liquidation and Paul Appleton of David Ruben & Partners LLP was appointed as the liquidator (the "Liquidator").

Going concern

The directors expect to put the Company into liquidation once the liquidation of DMWSL 586 Limited is complete. As such, these financial statements have not been prepared on a going concern basis.

Directors and directors' interest

The directors of the Company who held office during the period and up to the date of signing the financial statements are set out below.

C Giles

R Leeming

F van den Bosch

Charterhouse Corporate Directors Limited (appointed 14 November 2013)

P Matson (resigned 14 November 2013)

MLR Consulting LLP (resigned 14 November 2013)

B McManus (resigned 14 November 2013)

M Offord (resigned 14 November 2013)

Company secretary

The Company secretary who held office during the period is set out below.

Expectrum Secretaries Limited (resigned 14 November 2013)

Directors' Report (continued)

Dividends

The directors do not propose to pay a dividend for the period to equity shareholders.

Statement of directors' responsibilities

The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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). 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 judgements and estimates that are reasonable and prudent; 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 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.


Directors' indemnity

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Small companies' regime

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The directors have taken the small companies exemption not to prepare a strategic report for the financial period ending 31 March 2014.

ON BEHALF OF THE BOARD:



.....
Charterhouse Corporate Directors Limited – Director

Paul N Burrow
Director

Date: **16 FEB 2015**
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Profit and Loss Account

for the period from 1 September 2013 to 31 March 2014

		2014	2013
	NOTES	£'000	£'000
Other income		26	126
Administrative expenses	2	(206)	(213)
Operating loss		(180)	(87)
Provisions		(2,363)	(41)
Interest receivable and similar income		1	-
Interest payable and other charges		(301)	-
Loss on ordinary activities before taxation		(2,843)	(128)
Tax on loss on ordinary activities	4	-	-
Loss for the financial period/year	10	(2,843)	(128)

There is no difference between the loss for the period/year and its historical cost equivalents.

The notes on pages 8 to 12 form part of these financial statements.

Balance Sheet

as at 31 March 2014

	NOTES	2014 £'000	2013 £'000
Fixed Assets			
Investment in subsidiary undertakings	6	-	-
		-	-
Current Assets			
Debtors: amounts falling due within one year	7	1,293	419
Cash at bank and in hand		202	11
		1,495	430
Creditors: Amounts falling due within one year	8	(3,908)	-
Net Current (Liabilities)/Assets		(2,413)	430
Net (Liabilities)/Assets		(2,413)	430
Capital and Reserves			
Called-up share capital	9	558	558
Profit and loss account	10	(2,971)	(128)
Total Shareholders' (Deficit)/Funds	11	(2,413)	430

The notes on pages 8 to 12 form part of these financial statements.

For the period ending 31 March 2014, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 (the "Act") relating to small companies. The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors on **16 FEB 2015** and were signed on behalf by:



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Charterhouse Corporate Directors Limited – Director

Paul N Burrow
Director

Cash Flow Statement

for the period from 1 September 2013 to 31 March 2014

		2014	2013
	NOTES	£'000	£'000
Net cash inflow from operating activities	12	491	-
Return on investments and servicing of finance			
Interest received		1	-
Interest paid		(301)	-
		(300)	-
Increase in net cash		191	-
Reconciliation to net cash			
Net cash 1 September		11	11
Increase in net cash		191	-
Net cash at 31 March		202	11

The notes on pages 8 to 12 form part of these financial statements.

Notes to the Financial Statements

for the period from 1 September 2013 to 31 March 2014

1. Accounting policies

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

Basis of preparation

The financial statements for the period 1 September 2013 to 31 March 2014 have been prepared, under the historical cost convention and in accordance with applicable UK accounting standards and the Companies Act 2006, on a break up basis, whereas the financial statements for prior year have been prepared on a going concern basis.

Going concern

The Company has made a loss for the current period and the directors expect to put the Company into liquidation once the liquidation of DMWSL 586 Limited is complete.

Fixed assets investment

Investments are stated at cost less provision for impairment for financial statements prepared on a going concern basis, whereas investments are stated at the lower of cost or net realisation value for financial statements prepared on a break up basis.

Finance income and costs

Interest income and costs are recognised in the Profit and Loss Account on an accruals basis.

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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at the Balance Sheet date that will result in an obligation to pay more, or a right to pay less tax, in the future. Timing differences are differences between the taxable profits or losses and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

2. Administrative expenses

The Company had no employees during the financial period (2013 none).

Notes to the Financial Statements (continued)
for the period from 1 September 2013 to 31 March 2014

3. Directors' emoluments

During the period the Company paid £60,000 to the directors in respect of their services to the Company. In prior year the directors of the Company were paid by a subsidiary company in respect of their services to the Company.

4. Taxation

Analysis of tax charge recognised in the Profit and Loss Account:

	2014 £'000	2013 £'000
Current tax		
Current tax charge on loss for the period/year	-	-
Total current tax	-	-
Deferred tax		
Deferred tax charge on loss for the period/year	-	-
Total deferred tax	-	-
Total taxation charge	-	-

The factors affecting the tax charge for the period/year:

The tax assessed differs from the standard rate of corporation tax in the UK of 23.00% (2013 23.58%).

The differences are explained below:

	2014 £'000	2013 £'000
Loss on ordinary activities before taxation	(2,843)	(128)
Loss on ordinary activities before taxation at the standard rate of corporation tax in the UK of 23.00% (2013 23.58%)	(654)	(30)
Effects of:		
- Expenses not deductible for tax purposes	591	10
- Other timing differences	63	20
Current tax charge	-	-

5. Dividends

No dividends were declared or paid during the period (2013 £nil).

Notes to the Financial Statements (continued)
for the period from 1 September 2013 to 31 March 2014

6. Investment in subsidiary

	£'000
Cost	
As at 1 September 2013	41
Additions	-
Disposals	-
As at 31 March 2014	41
Provisions for impairment	
As at 1 September 2013	(41)
As at 31 March 2014	(41)
Net book value	
31 August 2013	-
31 March 2014	-

As at 31 March 2014 the Company held the entire issued share capital of DMWSL 586 Limited. DMWSL 586 Limited was placed into creditors' voluntary liquidation on 4 December 2013. The directors consider that the investment value is impaired and have maintained the provision as at 31 March 2014 (2013 £41,000).

7. Debtors: Amounts falling due within one year

	2014	2013
	£'000	£'000
Amounts owed by group undertakings	1,293	419
	1,293	419

At 31 March 2014 the directors consider that the value of the loan notes and inter-company loan owed by DMWSL 586 Limited to the Company is impaired and have provided for £2,363,000 in the Profit and Loss Account of the Company.

8. Creditors: Amount falling due within one year

	2014	2013
	£'000	£'000
Amounts due to related party	(3,908)	-
	(3,908)	-

Amounts due to related party relate to loan notes issued to a Company shareholder. The loan notes bear interest at 12% p.a. and the right of the loan note holder to repayment is limited to a right to be paid only out of the proceeds received by the Company in respect of the loan notes issued by DMWSL 586 Limited. No loan note holder has any right of recourse against any other asset of the Company.

Notes to the Financial Statements (continued)
for the period from 1 September 2013 to 31 March 2014

9. Called-up share capital

	NUMBER OF SHARES	NOMINAL VALUE	TOTAL
	'000	£	£'000
A Ordinary Shares	417,200	0.001	417
B Ordinary Shares	141,119	0.001	141
			558

10. Profit and Loss Account

	PROFIT AND LOSS ACCOUNT
	£ '000
As at 1 September 2013	(128)
Loss for the period	(2,843)
As at 31 March 2014	(2,971)

11. Reconciliation of movements in Shareholders' (deficit)/funds

	2014	2013
	£'000	£'000
Loss for the financial period/year	(2,843)	(128)
Opening shareholders' funds	430	558
Closing shareholders' (deficit)/funds	(2,413)	430

12. Reconciliation of operating loss to net cash inflow from operating activities

	2014	2013
	£'000	£'000
Operating loss	(180)	(87)
(Increase)/decrease in debtors	(874)	124,074
Increase/(decrease) in creditors	3,908	(123,946)
Provision charged in the period/year	(2,363)	(41)
Net cash inflow	491	-

13. Related party transactions

On 4 December 2013, Chris Giles transferred 14,850,013 loan notes of £1.00 each issued by DMWSL 586 Limited to the Company in return for the issue to him of 13,600,000 loan notes of £1.00 each issued by the Company. On 20 January 2014, the Company repaid an amount of £9,838,138 of principal of loan notes and an amount of £155,254 of interest accrued thereon. At 31 March 2014 £3,761,862 of principal of loan notes and accrued interest of £145,940 thereon remained outstanding.

In January 2014 the Company made a payment of £60,000 to MLR Consulting LLP ("MLR") in respect of the termination of MLR's appointment as non-executive director of the Company out of the proceeds of the first distribution made by the Liquidator.

Notes to the Financial Statements (continued)
for the period from 1 September 2013 to 31 March 2014

14. Ultimate controlling party

The ultimate controlling party at 31 March 2014 was funds managed by Charterhouse General Partners (VIII) Limited.

15. Post balance sheet event

On 28 April 2014, the Company received further liquidation proceeds of £1,030,913 from the Liquidator in respect of loan notes and inter-company loan owed by DMWSL 586 Limited to the Company.