

**AAF Consultants Limited**

**Directors' report and financial  
statements**

Registered number 2341764

30 June 2006



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## Directors' report

The directors present their report on the affairs of the company together with the accounts for the year ended 30 June 2006

### Principal activities and business review

The company did not trade during the year or the previous year There are no distributable reserves from which to pay a dividend (2005 £nil)

### Directors and their interests

The directors who served during the year were as follows

E de Sa  
R Hastie (resigned 29 November 2005)  
PJF Worlledge (resigned 31 May 2006)

No director had any interest in the shares of the company or other group companies which requires disclosure in these accounts

### 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

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



E de Sa  
Secretary

Catfoss Lane  
Brandesburton  
Driffield  
East Yorkshire  
YO25 8EJ

25 April 2006/7

## **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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

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, 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.



**KPMG LLP**

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW  
United Kingdom

**Independent auditors' report to the members of AAF Consultants Limited**

We have audited the financial statements of AAF Consultants Limited for the year ended 30 June 2006 which comprise the Profit and Loss Account the Balance Sheet and the related notes. 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 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 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 on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK 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 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. 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.

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

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its loss 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

KPMG LLP  
KPMG LLP  
*Chartered Accountants*  
*Registered Auditor*

25 April 2007

**Profit and loss account**  
*for the year ended 30 June 2006*

	<i>Note</i>	<b>30 June 2006 £000</b>	<b>30 June 2005 £000</b>
<b>Operating loss</b>		<b>(13)</b>	<b>-</b>
<b>Profit on ordinary activities before taxation</b>		<b>(13)</b>	<b>-</b>
Tax on profit on ordinary activities	2	-	-
<b>Profit for the financial period</b>		<b>(13)</b>	<b>-</b>

There have been no recognised gains or losses attributable to the shareholders other than the profit for the current and preceding financial periods and, accordingly, no statement of recognised gains or losses is shown

The results in the current and prior periods are derived wholly from discontinued operations

**Balance sheet**  
*at 30 June 2006*

	<i>Notes</i>	<b>2006</b>	<b>2005</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Investments	3	-	-
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	4	995	1 008
<b>Creditors</b> Amounts falling due with one year	5	(1,066)	(1 066)
		<hr/>	<hr/>
<b>Total assets less current liabilities and net liabilities</b>		<b>(71)</b>	<b>(58)</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Called-up share capital	6	408	408
Profit and loss account	7	(479)	(466)
		<hr/>	<hr/>
<b>Equity shareholders' deficit</b>		<b>(71)</b>	<b>(58)</b>
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the board of directors on  
 on its behalf by

*25 April*

2006<sup>7</sup> and were signed

  
 E de Sa  
 Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

A summary of the principle accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below

#### *Basis of accounting*

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 s228 of the Companies Act 1985 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.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

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).

#### *Basis of preparation*

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 ultimate parent company Waco International 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.

### 2 Taxation

#### *Analysis of charge in period*

	2006	2005
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
	<hr/> <hr/>	<hr/> <hr/>

**Notes** *(continued)*

**2 Taxation** *(continued)*

*Factors affecting the tax charge for the current period*

The current tax charge for the period is lower than the standard rate of corporation tax in the UK (30%, 2005 30 %) The differences are explained below

	2006 £000	2005 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(13)	-
	<hr/>	<hr/>
Current tax at 30% (2005 30%)	(4)	-
<i>Effects of</i>		
Expenses not deductible for tax purposes	4	-
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/> <hr/>	<hr/> <hr/>

**3 Fixed asset investments**

	£000
<b>Cost</b>	
At beginning and end of year	58
	<hr/>
<b>Provisions</b>	
At beginning and end of year	58
	<hr/>
<b>Net book value</b>	
At beginning and end of year	-
	<hr/>

The company holds investments in the following companies

	Country of registration	Principal activity	Class and percentage of shares held
AAF Properties Limited	England	Non-trading	Ordinary 5%

**4 Debtors**

	2006 £000	2005 £000
Amounts owed by group undertakings	995	1 008
	<hr/> <hr/>	<hr/> <hr/>

**Notes** *(continued)*

**5 Creditors: Amounts falling due within one year**

	2006	2005
	£000	£000
Amounts owed to group undertakings	1,066	1,066
	1,066	1,066

The amounts due to group undertakings comprise of interest free working capital advances. Waco International Limited has confirmed that the necessary financial support will continue to be given to enable the company to continue to trade.

**6 Called-up share capital**

	2006	2005
	£000	£000
<i>Authorised</i> 407,633 (2005 407,633) ordinary shares of £1 each	408	408
	408	408
<i>Allotted, called-up and fully paid</i> 407,633 (2005 407,633) ordinary shares of £1 each	408	408
	408	408

**7 Reserves**

The movement in the year was as follows

	Profit and loss account £000
At beginning of year	(466)
Retained loss for the year	(13)
	(479)

**8 Guarantees and other financial commitments**

*Cross company guarantee*

The company is party to a cross guarantee arrangement in respect of a group overdraft facility of £8.0m (2005 £1.0m) which £7.0m was drawn at 30 June 2006 (2005 £0.6m). The facility is secured by a fixed and floating charge over the assets of the company.

**9 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