

Registered No: 3091869

Autofil Worldwide Limited
Report and Financial Statements
for year ended 31 December 2006

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Autofil Worldwide Limited

Annual report for the year ended 31 December 2006

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Autofil Worldwide Limited

Directors & Advisors for year ended 31 December 2006

Directors

A J Ullmann
M Heck
B Beaumont
P Davis

Secretary

P Davis

Auditors

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP

Bankers

Lloyds TSB Bank plc
6-7 Park Row
Leeds
LS1 1NX

Registered office

Sherwood Park
Annesley Woodhouse
Nottingham
Nottinghamshire
NG15 0RS

Autofil Worldwide Limited

Director's Report for the year ended 31 December 2006

The directors present their report and accounts for the year ended 31 December 2006.

Results and dividends

The company's profit for the year is £144,481 (2005: £152,105). The directors do not recommend the payment of any dividends (2005: £nil).

Principal activities and review of the business

The principal activity of the company is the marketing, development and sale of specialised synthetic yarns for use primarily in the automotive industry.

On 31 December 2006 the trade and net assets of Autofil Worldwide Limited were transferred to Autofil Yarns Limited, a fellow group company (note 16). This transfer was performed in order to simplify the group structure.

The company is a wholly owned subsidiary of Autofil Holdings Limited. A review of the business for the Autofil Group is contained in the financial statements of that company.

Directors

The directors who served the company during the year were as follows:

A J Ullmann

M Heck

B Beaumont

P Davis

The interests of the directors in the shares of the company's parent, Autofil Holdings Limited, are disclosed in the accounts of that company.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

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 financial statements 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.

Auditors and disclosure of information to auditors

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

Auditors

During the year Ernst & Young LLP resigned as auditors and PricewaterhouseCoopers LLP were appointed as auditors of the company and group.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board



P Davis

Secretary

1 March 2007

Autofil Worldwide Limited

Independent auditors' report to the members of Autofil Worldwide Limited

We have audited the financial statements of Autofil Worldwide Limited for the year ended 31 December 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 December 2006 and of its profit for the year then ended 31 December 2006;
- 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Leeds

5 March 2007

Autofil Worldwide Limited

Profit and Loss account for the year ended 31 December 2006

	Notes	2006 £	2005 £
Turnover	3	26,904,805	27,576,270
Cost of sales		(24,986,181)	(25,822,155)
Gross profit		1,918,624	1,754,115
Distribution costs		(1,004,749)	(1,016,761)
Administrative expenses		(707,048)	(567,592)
Operating profit/(loss)	4	206,827	169,762
Bank interest receivable	7	24,179	2,974
Profit on ordinary activities before taxation		231,006	172,736
Tax on profit on ordinary activities	8	(86,525)	(20,631)
Profit for the financial year	14	144,481	152,105

All items dealt with in arriving at operating profit above relate to continuing operations.

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the loss on ordinary activities before taxation and the loss sustained for the year stated above and their historical cost equivalents.

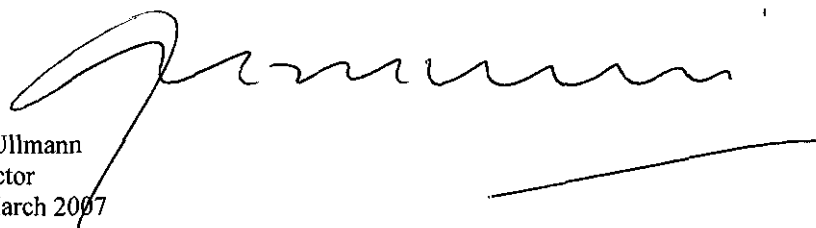
Autofil Worldwide Limited

Balance Sheet at 31 December 2006

	Notes	2006 £	2005 £
Current assets			
Debtors	9	644,045	3,049,037
Cash at bank and in hand		-	868,104
		<u>644,045</u>	<u>3,917,141</u>
Creditors - Amounts falling due within one year	10	-	(3,417,577)
		<u>644,045</u>	<u>499,564</u>
Net current assets			
		<u>644,045</u>	<u>499,564</u>
Total assets less current liabilities		<u>644,045</u>	<u>499,564</u>
Provisions for liabilities and charges	12	-	-
		<u>644,045</u>	<u>499,564</u>
Capital and reserves			
Called up share capital	13	250,002	250,002
Profit and loss reserve	14	394,043	249,562
Total shareholders' funds		<u>644,045</u>	<u>499,564</u>

The financial statements on pages 4 to 10 were approved by the board of directors on 1st March 2007 and were signed on its behalf by:

A.J.Ullmann
Director
1st March 2007



Autofil Worldwide Limited

Notes to the financial statements at 31 December 2006

1 Accounting policies

Basis of preparation

These financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Deferred taxation

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 that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- Deferred tax assets are recognised only to the extent that the directors consider that it is 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.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Turnover

Turnover represents the invoiced value of goods and services supplied, excluding value added tax, trade discounts and rebates, recognised when invoiced and despatched.

2 Cash flow statement and Related Party Disclosures

The company is a wholly-owned subsidiary of Autofil Holdings Limited and is included in the consolidated financial statements of Autofil Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Autofil Holdings Limited group or investees of the Autofil Holdings Limited group.

Autofil Worldwide Limited

Notes to the financial statements at 31 December 2006 (continued)

3 Segmental Reporting

The company's activities consist solely of the manufacture and sale of specialised synthetic yarns. Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

An analysis of turnover by geographical market is given below:

	2006 £	2005 £
UK	3,308,127	5,774,897
Rest of Europe	23,569,226	21,556,178
Rest of world	27,452	245,195
	<u>26,904,805</u>	<u>27,576,270</u>

4 Operating profit

	2006 £	2005 £
Operating profit is stated after charging		
Fees for the audit of the company	<u>4,000</u>	<u>6,000</u>

5 Directors Emoluments

Directors' emoluments have been borne by the parent company, Autofil Holdings Ltd and are disclosed in the accounts of that company.

6 Employee Information

There are no employees directly employed by Autofil Worldwide Ltd. All personnel are employed through a fellow group company, Autofil Yarns Ltd.

7 Interest receivable

	2006 £	2005 £
Bank interest receivable	<u>24,179</u>	<u>2,974</u>

Autofil Worldwide Limited

Notes to the financial statements at 31 December 2006 (continued)

8 Taxation on the profit for the year

	2006 £	2005 £
Current tax:		
UK corporation tax on profits for the year	70,052	20,631
Adjustment in respect of previous periods	(1,376)	-
Total current tax	<u>68,676</u>	<u>20,631</u>
Deferred tax:		
Origination and reversal of timing differences (note 12)	17,849	45
Tax on profit on ordinary activities	<u>86,525</u>	<u>20,676</u>

The tax assessed for the period is lower (2005: lower) to the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2006 £	2005 £
Profit on ordinary activities before tax	<u>231,006</u>	<u>172,736</u>
Profit on ordinary activities multiplied by standard rate in the UK 30% (2005: 30%)	69,302	51,821
Effects of:		
Expenses not deducted for tax purposes and non-taxable income	750	852
Accelerated capital allowances and other timing differences	-	(15)
Adjustments to tax charge in respect of previous period	(1,376)	-
Utilisation of brought forward tax losses	-	(27,463)
Small company relief	-	(4,564)
Current tax charge for the period	<u>68,676</u>	<u>20,631</u>

9 Debtors

	2006 £	2005 £
Trade debtors	-	2,668,253
Amounts owed by group undertakings	<u>644,045</u>	<u>380,784</u>
	<u>644,045</u>	<u>3,049,037</u>

Autofil Worldwide Limited

Notes to the financial statements at 31 December 2006 (continued)

10 Creditors - Amounts falling due within one year

	2006 £	2005 £
Current instalment due on bank loan	-	2,277,649
Trade creditors	-	8,021
Amounts due to group undertakings	-	890,921
Taxation and Social Security	-	20,631
Other creditors	-	160,355
Accruals and deferred income	-	60,000
	<u>-</u>	<u>3,417,577</u>

11 Loans and other borrowings

The company is party to a guarantee with its fellow subsidiary undertakings on loans totalling £4,677,010 (2005: £4,656,773). These loans are secured by a floating charge over the assets of the company and of the group.

12 Provisions for liabilities and charges

Deferred taxation	£
At 1 January 2006	-
Charge for the year (note 8)	17,849
Transfer of trade and assets to Autofil Yarns Limited (note 16)	(17,849)
At 31 December 2006	<u>-</u>

13 Called up share capital

	2006 £	2005 £
Authorised		
251,000 ordinary shares of £1 each	<u>251,000</u>	<u>251,000</u>
Allotted and fully paid		
250,002 (2005: 250,002) ordinary shares of £1 each	<u>250,002</u>	<u>250,002</u>

Autofil Worldwide Limited

Notes to the financial statements at 31 December 2006 (continued)

14 Reserves

	Share capital £	Profit and loss account £
1 January 2006	250,002	249,562
Retained profit for the financial year	–	144,481
31 December 2006	250,002	394,043

15 Financial instruments

The group held outstanding forward foreign currency contracts at the year end with a fair value of (£122,000) (2005: £13,000)

16 Transfer of trade and assets to Autofil Yarns Limited

On 31 December 2006 the trade and net assets of Autofil Worldwide Limited were transferred at book value to Autofil Yarns Limited. This transfer was performed in order to simplify the group structure.

The fair values of the assets and liabilities acquired were equal to their book values at the date of transfer.

The transfer of £nil net assets with consideration of £nil was effected through the debtor balance with Autofil Yarns Limited.

17 Ultimate parent company

The smallest group for which the results of the company are consolidated is Autofil Holdings Limited, a company registered in England and Wales. The largest group for which the results of the company are consolidated is Sinterama Spa of 13876 Sandigliano, Via Gramsci 5, Biella, Italy a company registered in Italy. Copies of the consolidated accounts of Autofil Holdings Limited are available from Sherwood Park, Annesley, Nottingham NG15 0RS.