

Directors Report and Accounts for the year ended 31 December 2005

Martonair Limited

Lakeside  
Solihull Parkway  
Birmingham Business Park  
Birmingham  
B37 7XZ

Company Number 00471440



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## MARTONAIR LIMITED

Directors : J O'Shea  
J C Bower

Secretary : H Afford

Registered Office : Lakeside  
Solihull Parkway  
Birmingham Business Park  
Birmingham  
B37 7XZ

### REPORT OF DIRECTORS

2005

The Directors of Martonair Limited submit their Report together with the Financial Statements for the year ended 31 December 2005.

1. **Activity**

The Company did not trade during the year. No dividend is proposed (2004: Nil).

2. **Board of Directors**

There have been no changes in the board of Directors throughout the year.

3. **Directors' Interests in Shares and Debentures**

The interests of the persons (including the interests of their families) who were Directors at the end of the year in shares and debentures of the Company's ultimate holding company, IMI plc, are shown below. None of the directors (or their families) had any interest in the share capital of the Company.

**IMI plc Ordinary Shares**  
**As at 01.01.05      As at 31.12.05**

J O'Shea	572	991
J C Bower	Nil	Nil

#### 4. Directors' Share Options

Options (as recorded in the register of directors' interests) in respect of shares of IMI plc granted to and exercised by directors are shown below:

<b>Share options under the IMI Executive Share Option (1995) Scheme</b>	<b>Options granted during the year</b>	<b>Options exercised during the year</b>
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J O'Shea	Nil	70,350
J C Bower	5,000	5,000

<b>Share options under the Performance Share Plan</b>	<b>Options granted during the year</b>	<b>Options exercised during the year</b>
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J O'Shea	18,900	Nil
J C Bower	Nil	Nil

<b>Save as You Earn</b>	<b>Options granted during the year</b>	<b>Options exercised during the year</b>
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J O'Shea	Nil	Nil
J C Bower	249	389

#### 5. Directors' responsibilities for the financial statements

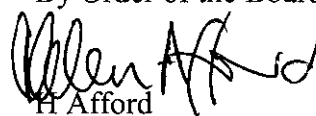
The directors are required to prepare financial statements for each financial period which comply with the provisions of the Companies Act 1985 and give a true and fair view of the state of affairs of the Company as at the end of the accounting period and of the profit or loss for that period. Suitable accounting policies, consistently applied, supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements and applicable accounting standards have been followed.

The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### 6. Auditors and AGMs

The Company is exempt from the requirement to appoint auditors and by elective resolutions passed pursuant to the Companies Act 1985 the Company has dispensed with the holding of AGMs and the laying of accounts before general meetings.

By Order of the Board

  
H Afford  
Secretary

Date: 21 June 2006

# MARTONAIR LIMITED

## PROFIT AND LOSS ACCOUNT

During the year ended 31 December 2005 and preceding financial year, the company did not trade, received no income and incurred no expenditure. Consequently, the company has made neither a profit or a loss and has no recognised gains and losses.

## BALANCE SHEET AT 31 DECEMBER 2005

	Notes	2005 £000	2004 £000
<b>Assets</b>			
Debtors - Group loan	2	<u>10,087</u>	<u>10,087</u>
<b>Capital and Reserves</b>			
Called up share capital	3	385	385
Share premium account	4	6	6
Revaluation reserve	4	42	42
Profit and loss account	4	<u>9,654</u>	<u>9,654</u>
<b>Equity Shareholders' Funds</b>		<u>10,087</u>	<u>10,087</u>

For the year ended 31 December 2005 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- ensuring the company keeps accounting records which comply with section 221; and
- preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 21 June 2006 and were signed on its behalf by:



J O'SHEA  
Director

**MARTONAIR LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

**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 preparation***

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

***Cash Flow Statement***

A Group cash flow statement for the year ended 31 December 2005 is included in the IMI plc Annual Report and accordingly no cash flow statement is shown in these accounts.

**2. Debtors**

	2005 £000	2004 £000
Amounts owed by parent and fellow subsidiary undertakings	<u>10,087</u>	<u>10,087</u>
	<u>10,087</u>	<u>10,087</u>

**3. Share Capital**

At 31 December 2005 and 31 December 2004 the authorised, allotted, called up and fully paid share capital amounted to £450,000 consisting of 450,000 ordinary shares of £1 each. Of this £385,000 ordinary shares of £1 each have been allotted, called up and fully paid.

**4. Reserves**

	Share Premium Account £000	Revaluation Reserve £000	Profit & Loss Account £000
At 31 December 2005 and 31 December 2004	<u>6</u>	<u>42</u>	<u>127</u>

**MARTONAIR LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**  
**(Continued)**

**5. Directors' emoluments**

The Directors received neither fees nor emoluments from the Company in either 2005 or 2004.

**6. Ultimate parent Company and parent undertaking of larger group of which the company is a member**

The company is a subsidiary undertaking of IMI Kynoch Limited.

The largest group in which the results of the company are consolidated is that headed by IMI plc, which is incorporated in Great Britain and registered in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from:

The Company Secretary  
Lakeside  
Solihull Parkway  
Birmingham Business Park  
Birmingham  
B37 7XZ