

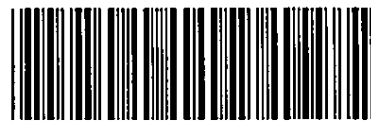
Aerovac Systems Limited

Directors' report and financial statements

Registered number 1472714

31 March 2009

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Directors' report

The directors present their annual report and the audited financial statements for the year to 31 March 2009.

Principal activities

The principal activities of the company are the manufacture of vacuum tools and distribution of a range of consumable products used within the composite materials industry.

Results and business review

The company traded well during the year and continues to secure new customers. Profits for the financial year were £3,557,416 (2008: £2,715,897), the result for the year is shown in the profit and loss account on page 8.

The company is exposed to risks associated with the markets in which it operates and attributable to the wider social and economic environment. The company's performance could be adversely affected if conditions in the marketplace deteriorate and we anticipate a year of more modest growth in turnover reflecting the macroeconomic climate in which we operate. The company also faces risks specific to its trading activities, such as the potential loss of major customers or suppliers. The company continues to maximise service levels and conduct business with integrity in order to minimise such risks.

Aerovac Systems Limited is a wholly owned subsidiary of Umeco plc, and the detailed business review can be found on page 10 onwards of Umeco plc's 2009 annual report.

Directors

The directors who held office during the year as recorded in the register of directors' interests, were as follows:

CJ Snowdon	(Chairman)
TT Brown	
TJ Cooper	
MD Goldstein	
P McEwen	
N Patterson	(appointed 12 November 2008, resigned 11 February 2009)
AB Moss	
DG Robertson	

Directors' report *(continued)***Payment policy**

It is the company's normal procedure to agree terms of transactions, including payment patterns, with suppliers in advance, to ensure suppliers are aware of those terms and to adhere to those terms when making payment. At 31 March 2009, the company had 62 days purchases outstanding in creditors (2008: 82 days).

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

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board



SJ Bowers
Secretary

Concorde House
24 Warwick New Road
Leamington Spa
Warwickshire
CV32 5JG

29 July 2009

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of Aerovac Systems Limited

We have audited the financial statements of Aerovac Systems Limited for the year ended 31 March 2009 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5.

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.

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 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 Aerovac Systems 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 31 March 2009 and of its profit 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 A-Lit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

29 July 2009

Profit and loss account
for the year to 31 March 2009

	<i>Note</i>	2009 £	2008 £
Turnover	2	16,534,622	16,311,911
Cost of sales		(11,606,036)	(11,490,587)
Gross profit		4,928,586	4,821,324
Administrative expenses		(2,501,396)	(2,396,123)
Operating profit	3	2,427,190	2,425,201
Net interest payable	5	(3,358)	(7,072)
Income from shares in group undertakings	6	1,807,969	996,668
Profit on ordinary activities before taxation		4,231,801	3,414,797
Tax on profit on ordinary activities	7	(674,385)	(698,900)
Profit for the financial year		3,557,416	2,715,897

The results shown in the profit and loss account derive wholly from continuing operations.

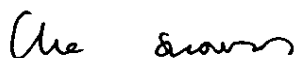
The company had no recognised gains and losses other than the profit for the year.

31 March 2009

Balance sheet
at 31 March 2009

	<i>Note</i>	2009	2008
		£	£
Fixed assets			
Tangible assets	9	1,587,015	1,422,823
Investments	10	812,368	812,368
		2,399,383	2,235,191
Current assets			
Stocks	11	1,135,402	1,153,511
Debtors	12	7,738,527	8,218,378
Cash at bank and in hand		2,973,832	1,327,517
		11,847,761	10,699,406
Creditors: amounts falling due within one year	13	(3,469,423)	(4,922,368)
Net current assets		8,378,338	5,777,038
Total assets less current liabilities		10,777,721	8,012,229
Creditors: amounts falling due after more than one year	14	-	(13,191)
Provisions for liabilities	15	(10,711)	(4,677)
Net assets		10,767,010	7,994,361
Capital and reserves			
Called up share capital	16	1,000	1,000
Profit and loss account	17	10,766,010	7,993,361
Equity shareholders' funds	18	10,767,010	7,994,361

These financial statements were approved by the board of directors on 29 July 2009 and were signed on its behalf by:



CJ Snowdon
Director

Notes*(forming part of the 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 preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. As permitted under s228 of the Companies Act 1985 the company has not prepared group accounts. Accordingly, these accounts present information for the company only.

In accordance with FRS1, a cash flow statement has not been prepared on the grounds that the company is a wholly owned subsidiary of a company which presents a consolidated cash flow statement in its accounts. As the company is a wholly owned subsidiary of Umeco plc, the company has taken advantage of the exemption contained in FRS8 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).

Turnover

Turnover is recognised in the profit and loss account when goods or services are supplied or made available to customers against orders received and the significant risks and rewards of ownership have been transferred to the customer and the amount of turnover can be measured reliably. Turnover excludes value added tax and other similar sales taxes. No turnover is recognised where the recovery of the consideration is not probable. Turnover is stated after the deduction of discounts and allowances for estimated future rebates and returns. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value on a straight line basis over their estimated useful lives as follows:

Freehold buildings	-	2%
Motor vehicles	-	25%
Plant and machinery	-	15%-25%

No depreciation is provided on freehold land.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Taxation

The charge for tax is based on the profit for the year and takes into account tax deferred because of timing differences between the treatment of certain items for tax and accounting purposes except as otherwise required by FRS19. Liabilities are calculated on a non-discounted full provision basis. Assets are recognised on the same basis, but only to the extent that it is probable they will be recovered.

Notes (continued)**1 Accounting policies (continued)*****Pensions***

Pension costs are recognised in the financial statements in accordance with the requirement of FRS17. The company operates a defined contribution scheme and participates in the Umeco plc Pension and Life Assurance Plan defined contribution section. The assets of these schemes are held separately from those of the company in independently administered funds. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

Share based payments

The fair value of options granted to employees of the company in respect of shares in the ultimate parent undertaking, Umeco plc, and which vested since 1 April 2004 are expensed where material. The fair value is measured at grant date and spread over the period during which employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting. The cost of the share options was borne by another group company. Details of the share option schemes are set out in note 26 to Umeco plc's consolidated financial statements.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in trading profit. 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.

Investments

Investments are included at cost less any amounts provided against their carrying value for impairment.

2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period. The turnover is attributable to the company's principal activity.

Analysis of turnover by geographical market

	2009 £	2008 £
United Kingdom	6,226,085	6,129,268
Rest of Europe	6,821,685	7,124,931
Rest of world	3,486,852	3,057,712
	<hr/>	<hr/>
	16,534,622	16,311,911
	<hr/>	<hr/>

Notes (continued)**3 Operating profit**

	2009 £	2008 £
<i>Operating profit is stated after charging/(crediting):</i>		
Auditors' remuneration		
- fees payable to the company's auditors for the audit of the annual accounts	11,330	11,000
Depreciation of tangible fixed assets:		
- owned assets	138,084	119,486
- leased assets	21,618	32,663
Profit on sale of tangible fixed assets	(12,527)	(3,958)
Exchange gain	(244,423)	(181,536)

Details of non-audit fees paid by the Umeco plc Group of companies to the company's auditors are disclosed in the accounts of Umeco plc.

4 Directors and employees

	2009 £	2008 £
Staff costs including directors' emoluments:		
Wages and salaries	1,613,677	1,514,568
Social security costs	178,590	155,861
Pension costs	59,137	50,882
	<u>1,851,404</u>	<u>1,721,311</u>

Average monthly number employed including executive directors:

	Number	Number
Production staff	27	26
Administration staff	24	20
	<u>51</u>	<u>46</u>

Remuneration of directors

	£	£
Salary, bonus, benefits in kind and pension contributions	<u>617,403</u>	<u>505,397</u>

The company made contributions to defined contribution pension schemes on behalf of the directors' totalling £42,999 (2008: £37,721). Retirement benefits accrued to five (2008: four) directors under defined contribution pension schemes.

Highest paid director

	£	£
Salary, bonus and benefits in kind	187,489	161,105
Pension contributions	10,584	10,152
	<u>198,073</u>	<u>171,257</u>

During the year, no options over shares in the ultimate parent undertaking, Umeco plc, were exercised by the directors. No options were exercised by the highest paid director. In the preceding year, three directors exercised options over shares in the ultimate parent undertaking. The cost of the share options were borne by another group company.

Notes *(continued)***5 Net interest payable**

	2009 £	2008 £
Interest payable on finance leases	(3,486)	(7,234)
Other interest receivable	128	162
Net interest payable	<u>(3,358)</u>	<u>(7,072)</u>

6 Income from shares in group undertakings

	2009 £	2008 £
Dividend received from group undertakings	<u>1,807,969</u>	<u>996,668</u>

7 Taxation on profit on ordinary activities

	2009 £	2008 £
UK taxation charge at 28% (2008: 30%)		
Current taxation - current year charge	<u>668,351</u>	<u>716,609</u>
Deferred taxation charge/(credit)		
- current year	<u>6,034</u>	<u>(17,709)</u>
	<u>674,385</u>	<u>698,900</u>

Notes *(continued)***7** **Taxation on profit on ordinary activities** *(continued)*

The current tax charge for the year is below (2008: below) the standard rate of UK corporation tax. The reasons for this are as follows:

	2009 £	2008 £
Profit on ordinary activities before taxation	4,231,801	3,414,797
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax	1,184,904	1,024,439
Effects of		
- expenses not deductible for tax purposes	3,405	6,483
- writing down allowances in excess of depreciation	(10,730)	(14,252)
- income and expenditure timing differences	(2,997)	(1,061)
- relief for overseas taxation – current year	(506,231)	(299,000)
	668,351	716,609

The company's tax charge has been affected by the fall in the UK mainstream corporation tax rate from 30% to 28% from 1 April 2008. Deferred tax has been calculated at 28%.

8 **Dividends**

	2009 £	2008 £
Equity dividends paid	784,767	2,326,912

The dividend paid per ordinary share was £785 (2008: £2,327).

Notes *(continued)***9 Tangible fixed assets**

	Freehold land and buildings £	Motor vehicles £	Plant and machinery £	Total £
Cost				
At 1 April 2008	1,171,324	252,855	1,326,020	2,750,199
Additions	-	89,052	250,115	339,167
Disposals	-	(99,402)	-	(99,402)
At 31 March 2009	1,171,324	242,505	1,576,135	2,989,964
Depreciation				
At 1 April 2008	155,138	141,082	1,031,156	1,327,376
Charge for year	20,394	63,085	76,223	159,702
Disposals	-	(84,129)	-	(84,129)
At 31 March 2009	175,532	120,038	1,107,379	1,402,949
Net book value				
At 31 March 2009	995,792	122,467	468,756	1,587,015
At 31 March 2008	1,016,186	111,773	294,864	1,422,823

Net book value of tangible fixed assets at 31 March 2009 includes £24,611 (2008: £46,229) in respect of assets acquired under finance leases. Depreciation of £21,618 (2008: £32,663) has been charged on these assets.

Notes (continued)**10 Fixed asset investments**

	Investments other than loans £
<i>Cost and net book value</i>	
At start and end of year	812,368

The companies in which the company's interest at the year end is more than 20% are as follows:

	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held by company
<i>Subsidiary undertakings</i>			
Aerovac Systemes France SARL	France	Ordinary	100%
Fluorovac Limited	Great Britain	Ordinary	100%
Aerovac Systems Italia S.R.L.	Italy	Ordinary	90%

The principal activities of Aerovac Systemes France SARL and Aerovac Systems Italia S.R.L. are the manufacture of vacuum tools and distribution of a range of consumable materials used within the composite bonding industry. Aerovac Systems Italy S.R.L. commenced trading on 1st April 2003 and Fluorovac Limited is a non-trading dormant company.

11 Stocks

	2009 £	2008 £
Finished goods and goods for resale	1,135,402	1,153,511

12 Debtors

	2009 £	2008 £
<i>Amounts falling due within one year</i>		
Trade debtors	3,063,360	3,499,060
Amounts owed by group undertakings	4,492,262	4,516,709
Other debtors	13,121	68,710
Prepayments and accrued income	169,784	133,899
	7,738,527	8,218,378

Notes (continued)**13 Creditors: amounts falling due within one year**

	2009 £	2008 £
Trade creditors	2,049,755	2,840,934
Amounts owed to group undertakings	650,179	1,181,641
Corporation tax	325,146	377,063
Other taxation and social security	48,626	37,139
Obligations under finance leases	13,192	21,026
Other creditors	7,048	5,876
Accruals and deferred income	375,477	458,689
	<u>3,469,423</u>	<u>4,922,368</u>

Obligations under finance leases and hire purchase creditors are secured on the assets concerned.

14 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Obligations under finance leases due within 1 to 2 years	-	13,191
	<u>-</u>	<u>13,191</u>

15 Provisions for liabilities*Deferred tax*

	2009 £	2008 £
Opening deferred tax liability	(4,677)	(22,386)
Profit and loss account	(6,034)	17,709
	<u>(10,711)</u>	<u>(4,677)</u>

The closing balance is analysed as follows:

	2009 £	2008 £
Capital allowances in excess of depreciation	<u>(10,711)</u>	<u>(4,677)</u>

The liability is based upon a rate of 28% (2008: 28%).

Notes (continued)**16 Called up share capital**

	Number of shares	2009 £	Number of shares	2008 £
<i>Authorised</i>				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Reserves

	2009 £	2008 £
At the beginning of the year	7,993,361	7,604,376
Profit for the year	3,557,416	2,715,897
Dividends	(784,767)	(2,326,912)
	<u> </u>	<u> </u>
At the end of the year	10,766,010	7,993,361
	<u> </u>	<u> </u>

18 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Opening shareholders' funds	7,994,361	7,605,376
Retained profit for the year	3,557,416	2,715,897
Dividends	(784,767)	(2,326,912)
	<u> </u>	<u> </u>
Closing shareholders' funds	10,767,010	7,994,361
	<u> </u>	<u> </u>

19 Parent company

The company's immediate holding company is Launchfirm Limited, a company registered in England and Wales. The company's ultimate holding company and ultimate controlling company is Umeco plc.

The results of the company are included in the consolidated accounts of Umeco plc which are available to the public and may be obtained from Umeco plc, Concorde House, 24 Warwick New Road, Leamington Spa, Warwickshire, CV32 5JG. No other group accounts include the results of the company.

20 Contingent liabilities

Under group banking facilities, the Company is jointly and severally liable for bank borrowings due by other group companies. At 31 March 2009 this contingent liability amounted to £162,568,369 (2008: £89,213,836).

Notes *(continued)***21 Commitments**

The minimum annual lease payments to which the company was committed, all of which are non-cancellable operating leases in respect of land & buildings, are analysed to expire as follows:

	2009 £	2008 £
Within one year	-	32,584
Between two and five years	65,000	-
	<u>65,000</u>	<u>32,584</u>

Contracted capital commitments at the end of the financial year for which no provision has been made were £nil (2008: £225,699)

22 Pension Schemes

The company operates a defined contribution pension scheme, and participates in the Umeco plc Pension and Life Assurance Plan defined contribution section.

The Umeco Pension and Life Assurance Plan ('the Plan'), has two schemes – the defined benefit scheme (closed to new entrants in 2000) and the defined contribution scheme. The Plan is for the benefit of all relevant employees of Umeco plc and its UK subsidiary undertakings. Details of the latest actuarial valuation of the Plan are given in Umeco plc's consolidated financial statements. Note 19 gives details of how to obtain a copy of the financial statements of Umeco plc.

The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £59,137 (2008: £50,882). There were no outstanding contributions to the scheme at 31 March 2009 (2008: £nil).