

**SPIRE AIRVENT LIMITED**  
**DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**

Company Registration No. 01900402 (England and Wales)

**Edwards**  
**Chartered Accountants**  
**Registered Auditors**



# **SPIRE AIRVENT LIMITED**

## **COMPANY INFORMATION**

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**Directors**

G L Brown  
R C W Sexton  
P B O'Donnell

**Secretary**

Spire Homewares Limited

**Company number**

01900402

**Registered office**

Union Street  
West Bromwich  
West Midlands  
B70 6DB

**Auditors**

Edwards  
Harmony House  
34 High Street  
Aldridge  
West Midlands  
WS9 8LZ

**Bankers**

Barclays Bank Plc  
15 Colmore Row  
Birmingham  
West Midlands  
B3 2EP

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# **SPIRE AIRVENT LIMITED**

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# **SPIRE AIRVENT LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005**

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The directors present their report and financial statements for the year ended 31 March 2005.

### **Principal activities and review of the business**

The principal activity of the company continued to be that of the design, manufacture and distribution of a range of air handling units, industrial fans, metal louvres and smoke vents.

Progress in eliminating losses and restoring an acceptable level of profit is continuing and problems are being addressed to improve trading. Although some of these benefits will show through in the financial year for 2005/06 it is believed that the full period benefits will flow through in the year commencing 1 April 2006. The holding company, Spire Group Limited, owns the freehold of our premises and consideration is currently being given to reducing group management charges and freezing or reducing the rent to assist recovery.

### **Results and dividends**

The results for the year are set out on page 4.

The directors do not recommend the payment of an ordinary or preference dividend.

### **Directors**

The following directors have held office since 1 April 2004:

Mr G L Brown  
Mr R C W Sexton  
Mr P B O'Donnell

### **Directors' interests**

The directors' interests in the shares of the company were as stated below:

	<b>Ordinary share of £ 1 each</b>	
	<b>31 March 2005</b>	<b>1 April 2004</b>
Mr G L Brown	-	-
Mr R C W Sexton	-	-
Mr P B O'Donnell	-	-

	<b>Redeemable preference shares of £ 1 each</b>	
	<b>31 March 2005</b>	<b>1 April 2004</b>
Mr G L Brown	-	-
Mr R C W Sexton	-	-
Mr P B O'Donnell	-	-

The interests of G L Brown in the share capital of Spire Group Limited are disclosed in the financial statements of that company.

### **Taxation status**

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Edwards be reappointed as auditors of the company will be put to the Annual General Meeting.

# **SPIRE AIRVENT LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005**

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### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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 those 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;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

The above statements have been prepared by our Auditors and Accountants which we understand are a statutory requirement placed on all company directors. We must make it clear, however, that we did not personally prepare the financial statements or maintain the accounting records and are dependent on our staff and external accountants and auditors for these functions. The statutory requirements are totally impractical and unnecessary for privately owned companies and were no doubt devised by Government employed lawyers and accountants who have no perception of running a business and have never made a contribution to anything productive in their entire lives. The Directors, therefore, take no responsibility for the detailed accuracy of the accounts and have signed this Report on the basis that, to the best of their belief and knowledge, the accompanying financial statements are correct.

It should also be pointed out that business owners are, in general, very honest and that fraud and other underhanded acts are more commonly found among politicians, the Inland Revenue, VAT Authorities, the HSE, the Department of the Environment, the DTI and similar Government bodies. Next on the list come multinationals, public companies and larger business interests with executives that contribute to political parties in return for favours.

On behalf of the board



G L Brown

**Director**

23 December 2005

# **SPIRE AIRVENT LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPIRE AIRVENT LIMITED**

We have audited the financial statements of Spire Airvent Limited on pages 4 to 12 for the year ended 31 March 2005. These financial statements have been prepared under the historical cost convention and 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 the 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 United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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 judgements 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 of the state of the company's affairs as at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Edwards**

23 December 2005

Chartered Accountants  
**Registered Auditor**

Harmony House  
34 High Street  
Aldridge  
West Midlands  
WS9 8LZ

# **SPIRE AIRVENT LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005**

	Notes	2005 £	2004 £
<b>Turnover</b>	<b>2</b>	5,826,543	5,109,133
Cost of sales		(4,680,604)	(4,058,574)
<b>Gross profit</b>		1,145,939	1,050,559
Distribution costs		(89,502)	(163,273)
Administrative expenses		(1,332,568)	(1,318,382)
Other operating income		(811)	3,569
<b>Loss on ordinary activities before taxation</b>	<b>3</b>	(276,942)	(427,527)
Tax on loss on ordinary activities	<b>4</b>	6,181	68,465
<b>Loss on ordinary activities after taxation</b>	<b>12</b>	(270,761)	(359,062)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# SPIRE AIRVENT LIMITED

## BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Intangible assets	5		2		2
Tangible assets	6		60,889		87,558
			<u>60,891</u>		<u>87,560</u>
<b>Current assets</b>					
Stocks	7	777,288		838,109	
Debtors	8	2,368,973		2,177,042	
Cash at bank and in hand		-		71,091	
		<u>3,146,261</u>		<u>3,086,242</u>	
<b>Creditors: amounts falling due within one year</b>	9	(2,389,199)		(2,085,088)	
<b>Net current assets</b>			<u>757,062</u>		<u>1,001,154</u>
<b>Total assets less current liabilities</b>			<u>817,953</u>		<u>1,088,714</u>
<b>Capital and reserves</b>					
Called up share capital	11	450,004		450,004	
Profit and loss account	12	367,949		638,710	
<b>Shareholders' funds</b>	13		<u>817,953</u>		<u>1,088,714</u>
Equity interests			<u>367,953</u>		<u>638,714</u>
Non-equity interests			<u>450,000</u>		<u>450,000</u>
			<u>817,953</u>		<u>1,088,714</u>

These financial statements are signed in order to comply with the requirements of the Companies Act, without personal verification

The financial statements were approved by the Board on 23 December 2005

G L Brown  
Director



# **SPIRE AIRVENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable accounting standards.

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.4 Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### **1.5 Patents**

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

#### **1.6 Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### **1.7 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	Over 2 to 6.5 years
Fixtures, fittings & equipment	Over 2 to 6.5 years
Motor vehicles	Over 4 years

#### **1.8 Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value.

#### **1.9 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17.

#### **1.10 Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

# SPIRE AIRVENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 1 Accounting policies

(continued)

#### 1.11 Foreign currency translation

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

### 2 Turnover

#### Geographical market

	Turnover	
	2005	2004
	£	£
United Kingdom	3,179,589	3,420,578
Other EC countries	1,941,979	895,481
Rest of the world	704,975	793,074
	<u>5,826,543</u>	<u>5,109,133</u>

### 3 Operating loss

	2005	2004
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	40,780	59,082
Loss on foreign exchange transactions	811	-
Research and development	31,269	2,229
Auditors' remuneration	8,750	8,700
and after crediting:		
Profit on foreign exchange transactions	<u>-</u>	<u>(3,569)</u>

# SPIRE AIRVENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

4	Taxation	2005 £	2004 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	(68,465)
	Adjustment for prior years	(6,181)	-
	<b>Current tax charge</b>	<u>(6,181)</u>	<u>(68,465)</u>
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	<u>(276,942)</u>	<u>(427,527)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	<u>(83,083)</u>	<u>(128,258)</u>
	Effects of:		
	Non deductible expenses	409	633
	Depreciation add back	12,234	17,725
	Capital allowances	(12,814)	(15,674)
	Adjustments to previous periods	(6,181)	-
	Other tax adjustments	83,254	57,109
		<u>76,902</u>	<u>59,793</u>
	<b>Current tax charge</b>	<u>(6,181)</u>	<u>(68,465)</u>
	Other tax adjustments relate to unutilised losses		
5	<b>Intangible fixed assets</b>		
			<b>Patents £</b>
	<b>Cost</b>		
	At 1 April 2004 & at 31 March 2005		<u>95,002</u>
	<b>Amortisation</b>		
	At 1 April 2004 & at 31 March 2005		<u>95,000</u>
	<b>Net book value</b>		
	At 31 March 2005		<u>2</u>
	At 31 March 2004		<u>2</u>

# SPIRE AIRVENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2004	994,696	171,540	6,350	1,172,586
Additions	6,250	7,860	-	14,110
At 31 March 2005	1,000,946	179,400	6,350	1,186,696
<b>Depreciation</b>				
At 1 April 2004	915,399	163,278	6,350	1,085,027
Charge for the year	33,721	7,059	-	40,780
At 31 March 2005	949,120	170,337	6,350	1,125,807
<b>Net book value</b>				
At 31 March 2005	51,826	9,063	-	60,889
At 31 March 2004	79,297	8,261	-	87,558

### 7 Stocks and work in progress

	2005 £	2004 £
Raw materials and consumables	629,434	628,534
Work in progress	127,664	188,886
Finished goods and goods for resale	20,190	20,689
	777,288	838,109

### 8 Debtors

	2005 £	2004 £
Trade debtors	1,820,335	1,606,525
Amounts owed by parent and fellow subsidiary undertakings	460,502	385,894
Corporation tax	-	68,465
Other debtors	51,332	8,086
Prepayments and accrued income	36,804	108,072
	2,368,973	2,177,042

# SPIRE AIRVENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

9 Creditors: amounts falling due within one year	2005 £	2004 £
Bank loans and overdrafts	376,219	73,860
Trade creditors	1,103,808	1,271,253
Amounts owed to parent and fellow subsidiary undertakings	710,526	632,591
Taxes and social security costs	100,967	41,373
Other creditors	24,003	14,094
Accruals and deferred income	73,676	51,917
	<u>2,389,199</u>	<u>2,085,088</u>

### 10 Pension costs

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2005 £	2004 £
Contributions payable by the company for the year	<u>10,777</u>	<u>14,922</u>

11 Share capital	2005 £	2004 £
<b>Authorised</b>		
1,000 Ordinary share of £1 each	1,000	1,000
450,000 Redeemable preference shares of £1 each	450,000	450,000
	<u>451,000</u>	<u>451,000</u>
<b>Allotted, called up and fully paid</b>		
4 Ordinary share of £1 each	4	4
450,000 Redeemable preference shares of £1 each	450,000	450,000
	<u>450,004</u>	<u>450,004</u>

Preference shares are redeemable and have no fixed dividend. Redemption is at the option of the company.

# SPIRE AIRVENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2004	638,710
Retained loss for the year	(270,761)
Balance at 31 March 2005	367,949

### 13 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Loss for the financial year	(270,761)	(359,062)
Opening shareholders' funds	1,088,714	1,447,776
Closing shareholders' funds	817,953	1,088,714

### 14 Directors' emoluments

	2005 £	2004 £
Emoluments for qualifying services	75,911	74,009
Company pension contributions to money purchase schemes	5,585	5,450
	81,496	79,459

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2004- 3).

# SPIRE AIRVENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2005 Number	2004 Number
Production staff	45	44
Management & administration	25	26
Sales	3	5
	<u>73</u>	<u>75</u>

#### Employment costs

	£	£
Wages and salaries	1,308,124	1,326,696
Social security costs	117,949	123,668
Other pension costs	10,777	14,922
	<u>1,436,850</u>	<u>1,465,286</u>

### 16 Control

The company's ultimate parent undertaking at the balance sheet date was Spire Group Limited, a company incorporated in England & Wales.

As a majority shareholder and director of the ultimate parent undertaking, G L Brown is the ultimate controlling party of the company.

### 17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.