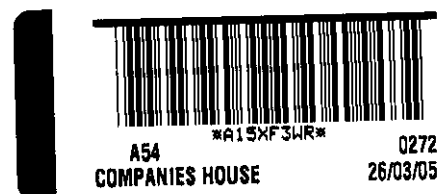


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INTERACTIVE (FLUE SYSTEMS) LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004



INTERACTIVE (FLUE SYSTEMS) LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2004**

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INTERACTIVE (FLUE SYSTEMS) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2004

DIRECTORS: M Culley
R Van Rheenen

SECRETARY: C Menke

REGISTERED OFFICE: Tattershall House
19 St Catherine's Road
Grantham
Lincolnshire
NG31 6TT

REGISTERED NUMBER: 2825217

AUDITORS: Callow & Holmes
Chartered Accountants
Registered Auditor
Tattershall House
19 St Catherine's Road
Grantham
Lincs, NG31 6TT

INTERACTIVE (FLUE SYSTEMS) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report with the financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale of parts used in central heating boilers.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIRECTORS

The directors during the year under review were:

M Culley

R Van Rheenen

- appointed 12.5.2004

The directors holding office at 31 December 2004 did not hold any beneficial interest in the issued share capital of the company at 1 January 2004 (or date of appointment if later) or 31 December 2004.

STATEMENT OF 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.

AUDITORS

The auditors, Callow & Holmes, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



E Menke - Secretary

1 March 2005

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
INTERACTIVE (FLUE SYSTEMS) LIMITED**

We have audited the financial statements of Interactive (Flue Systems) Limited for the year ended 31 December 2004 on pages four to eight. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 auditors' 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 on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors 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 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Callow & Holmes
Chartered Accountants
Registered Auditor
Tattershall House
19 St Catherine's Road
Grantham
Lincs, NG31 6TT

1 March 2005

INTERACTIVE (FLUE SYSTEMS) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004**

		2004		2003	
	Notes	£	£	£	£
TURNOVER			4,503,887		2,576,899
Cost of sales			4,122,260		2,329,294
GROSS PROFIT			381,627		247,605
Distribution costs		3,443		4,208	
Administrative expenses		187,899		149,029	
			191,342		153,237
OPERATING PROFIT	2		190,285		94,368
Currency exchange	3		(26,563)		9,300
			163,722		103,668
Interest receivable and similar income			6,412		4,301
			170,134		107,969
Interest payable and similar charges			(37)		6
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			170,171		107,963
Tax on profit on ordinary activities	4		51,474		31,729
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			118,697		76,234
Retained profit brought forward			230,766		154,532
RETAINED PROFIT CARRIED FORWARD			£349,463		£230,766

The notes form part of these financial statements

INTERACTIVE (FLUE SYSTEMS) LIMITED

**BALANCE SHEET
31 DECEMBER 2004**

		<u>2004</u>		<u>2003</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		5,839		8,410
CURRENT ASSETS:					
Debtors	6	1,627,001		976,500	
Cash at bank		190,081		646,508	
		<u>1,817,082</u>		<u>1,623,008</u>	
CREDITORS: Amounts falling due within one year	7	<u>1,473,358</u>		<u>1,400,552</u>	
NET CURRENT ASSETS:			<u>343,724</u>		<u>222,456</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>£349,563</u></u>		<u><u>£230,866</u></u>
CAPITAL AND RESERVES:					
Called up share capital	8		100		100
Profit and loss account			349,463		230,766
SHAREHOLDERS' FUNDS:			<u><u>£349,563</u></u>		<u><u>£230,866</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:

M Culley - Director



R Van Rheenen - Director

Approved by the Board on 1 March 2005

INTERACTIVE (FLUE SYSTEMS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Furniture & equipment - 20% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2004	2003
	£	£
Depreciation - owned assets	3,078	3,078
Auditors' remuneration	-	750
Pension costs	4,572	4,572
	<u>48,783</u>	<u>46,482</u>

3. EXCEPTIONAL ITEM

The exceptional item represents movements in £/€ exchange rate.

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2004	2003
	£	£
Current tax:		
UK corporation tax	51,500	32,000
Prior year adjustment	(26)	(271)
	<u>51,474</u>	<u>31,729</u>

INTERACTIVE (FLUE SYSTEMS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

5. TANGIBLE FIXED ASSETS

	Furniture & equipment
	£
COST:	
At 1 January 2004	15,389
Additions	507
	<hr/>
At 31 December 2004	15,896
	<hr/>
DEPRECIATION:	
At 1 January 2004	6,979
Charge for year	3,078
	<hr/>
At 31 December 2004	10,057
	<hr/>
NET BOOK VALUE:	
At 31 December 2004	5,839
	<hr/>
At 31 December 2003	8,410
	<hr/>

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004	2003
	£	£
Trade debtors	1,621,501	971,000
Other debtors	5,500	5,500
	<hr/>	<hr/>
	1,627,001	976,500
	<hr/>	<hr/>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004	2003
	£	£
Directors current accounts	518	518
Group creditor	1,243,360	1,229,832
Other creditors	978	-
V.A.T.	170,952	131,897
Social security & other taxes	3,550	3,538
Corporation tax	51,500	32,000
Accrued expenses	2,500	2,767
	<hr/>	<hr/>
	1,473,358	1,400,552
	<hr/>	<hr/>

8. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2004	2003
			£	£
100	Ordinary	£1	100	100
			<hr/>	<hr/>

9. ULTIMATE PARENT COMPANY

The ultimate parent company is interActive Holding bv, a company registered and trading in Holland.

INTERACTIVE (FLUE SYSTEMS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

10. RELATED PARTY DISCLOSURES

The company buys all its raw materials from interActive bouwprodukten bv, a fellow group subsidiary. The company also pays a management charge to its parent company. At the year end the company owed interActive group companies in Holland £1,243,360 (2003 £1,229,832). All trading between the companies is on an arms length basis.