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Company Registration No. 02952082 (England and Wales)

CLEAN AIR LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013



CLEAN AIR LIMITED

COMPANY INFORMATION

Directors	Mr W R Perrott (Managing) (Appointed 4 December 2012) Mr I J Heatherington Mr G L Perrott (Appointed 4 December 2012) Mrs M E Perrott (Appointed 4 December 2012)
Secretary	Mrs M E Perrott
Company number	02952082
Registered office	Woodroyde Sutcliffe Wood Lane Halifax HX3 8PS
Auditors	Simpson Wood Bank Chambers Market Street Huddersfield HD1 2EW
Business address	20 Mill Street Farnworth Bolton BL4 7BH
Bankers	Lloyds Bank plc 53 King Street Manchester M60 2ES

CLEAN AIR LIMITED

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CLEAN AIR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2013

The directors present their report and financial statements for the year ended 31 October 2013.

Principal activities and review of the business

The principal activity of the company continued to be that of the manufacture and assembly of type tested fume cupboards and associated extraction and filtration systems.

No enhanced business review has been provided as the company qualifies as a small company.

Results and dividends

The results for the year are set out on page 5.

The loss for the year was £46,892 (2012 - profit £128,153). A dividend of £850,000 was paid to the previous owners during the year (2012 £Nil).

At 31 October 2013 there was an exceptional volume of part completed contracts treated as work in progress. Had these been able to be taken as sales in the year, the loss would have been replaced by a significant profit.

Directors

The following directors have held office since 1 November 2012:

Mr W R Perrott (Managing)	(Appointed 4 December 2012)
Mr I J Heatherington	
Mr G L Perrott	(Appointed 4 December 2012)
Mrs M E Perrott	(Appointed 4 December 2012)
Mr G M Findlay	(Resigned 4 December 2012)
Mr E A Prescott	(Resigned 4 December 2012)

Ownership

By simultaneous contract and completion on 4 December 2012 the whole of the issued share capital of the company was sold by Havelock Europa PLC to Perrott Engineering Group Limited.

Since 4 December 2012 the new owners have provided appropriate loan capital to enable the company to meet its financial obligations in a reasonable manner.

Financial instruments

The company's policy is to minimise the use of complex financial instruments.

Auditors

In accordance with the company's articles, a resolution proposing that Simpson Wood be reappointed as auditors of the company will be put at a General Meeting.

CLEAN AIR LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

Statement of directors' responsibilities

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting 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;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Statement of disclosure to auditors

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

By order of the board



Mrs M E Perrott

Secretary

10 July 2014

CLEAN AIR LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CLEAN AIR LIMITED

We have audited the financial statements of Clean Air Limited for the year ended 31 October 2013 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



CLEAN AIR LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CLEAN AIR LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Giles Cliffe FCA (Senior Statutory Auditor)
for and on behalf of Simpson Wood**

10 July 2014

**Chartered Accountants
Statutory Auditor**

Bank Chambers
Market Street
Huddersfield
HD1 2EW

CLEAN AIR LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2013

		Year ended 31 October 2013 £	Ten Months ended 31 October 2012 £
	Notes		
Turnover	2	1,544,824	2,340,380
Cost of sales		(978,762)	(1,471,392)
Gross profit		566,062	868,988
Administrative expenses		(618,203)	(744,815)
(Loss)/profit on ordinary activities before taxation	3	(52,141)	124,173
Tax on (loss)/profit on ordinary activities	4	5,249	3,980
(Loss)/profit for the year	13	(46,892)	128,153

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.

CLEAN AIR LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	6		107,393		25,369
Current assets					
Stocks	7	467,806		104,313	
Debtors	8	380,744		628,493	
Cash at bank and in hand		134,907		781,089	
		<u>983,457</u>		<u>1,513,895</u>	
Creditors: amounts falling due within one year	9	<u>(891,744)</u>		<u>(443,266)</u>	
Net current assets			<u>91,713</u>		<u>1,070,629</u>
Total assets less current liabilities			<u>199,106</u>		<u>1,095,998</u>
			<u>199,106</u>		<u>1,095,998</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		199,006		1,095,898
Shareholders' funds	14		<u>199,106</u>		<u>1,095,998</u>

Approved by the Board and authorised for issue on 10 July 2014



Mr W R Perrott (Managing)
Director



Mr G L Perrott
Director

Company Registration No. 02952082

CLEAN AIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents the invoiced amount of goods and services provided less returns and allowances, excluding value added tax. Short term contracts are recognised as a sale when direct labour bookings have ceased.

1.4 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:

Short Leasehold improvements	16.67% - 25% straight line
Plant and machinery etc	20% straight line
Computer equipment	20% - 25% straight line
Fixtures, fittings & equipment	20% - 25% straight line
Motor vehicles	25% straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes an appropriate proportion of production overheads, where applicable.

Progress payments receivable from customers are deducted from the value of the work in progress to which they relate.

1.7 Pensions

The company operates two defined contribution schemes and a life assurance scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation (if material) 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.

CLEAN AIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

2 Turnover

The total turnover of the company for the year has been derived from its principal activity.

Geographical market

	Turnover	
	2013	2012
	£	£
United Kingdom	1,458,530	2,340,380
Europe	22,162	-
Rest of the World	64,132	-
	<u>1,544,824</u>	<u>2,340,380</u>

3 Operating (loss)/profit

	2013	2012
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	27,340	7,936
Loss on disposal of tangible assets	7,711	-
Provision for research and development costs	(12,500)	12,500
Operating lease rentals		
- Motor Vehicles	16,165	21,490
- Buildings	53,388	54,400
Fees payable to the company's auditors (present and past) for the audit of the company's annual accounts	<u>11,950</u>	<u>6,050</u>

CLEAN AIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

4	Taxation	2013 £	2012 £
	Domestic current year tax		
	U.K. corporation tax	(12,123)	-
	Adjustment for prior years	(359)	253
	Total current tax	(12,482)	253
	Deferred tax		
	Origination and reversal of timing differences	6,043	(4,233)
	Effects of changes in tax rates and laws	1,209	-
	Deferred tax adjustments arising in previous periods	(19)	-
		7,233	(4,233)
		(5,249)	(3,980)
	Factors affecting the tax charge for the period		
	(Loss)/profit on ordinary activities before taxation	(52,141)	124,173
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 24.60%)	(10,428)	30,547
	Effects of:		
	Non deductible expenses	(8,683)	10,728
	Depreciation add back	4,472	1,110
	Capital allowances	(9,863)	(1,688)
	Tax losses utilised	11,278	(40,697)
	Adjustments to previous periods	(359)	253
	Other tax adjustments	1,101	-
		(2,054)	(30,294)
	Current tax charge for the period	(12,482)	253

The company has estimated losses of £ 5,979 (2012 - £ nil) available for carry forward against future trading profits.

The standard rate of tax for the current year has been determined using the small companies rate. That for 2012 used the hybrid method based on the number of months in the period multiplied by the main rate of corporation tax for last year.

CLEAN AIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

5	Dividends	2013 £	2012 £
	Ordinary interim paid to the previous owner	850,000	-

6	Tangible fixed assets	Short Leasehold improvements £	Plant and machinery etc £	Motor vehicles £	Total £
	Cost				
	At 1 November 2012	103,752	203,352	-	307,104
	Additions	-	800	116,817	117,617
	Disposals	-	(13,062)	-	(13,062)
	At 31 October 2013	103,752	191,090	116,817	411,659
	Depreciation				
	At 1 November 2012	103,752	177,983	-	281,735
	On disposals	-	(4,809)	-	(4,809)
	Charge for the year	-	8,747	18,593	27,340
	At 31 October 2013	103,752	181,921	18,593	304,266
	Net book value				
	At 31 October 2013	-	9,169	98,224	107,393
	At 31 October 2012	-	25,369	-	25,369

7	Stocks and work in progress	2013 £	2012 £
	Raw materials and components	73,672	61,436
	Work in progress	365,938	30,442
	Finished goods	28,196	12,435
		467,806	104,313

CLEAN AIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

8 Debtors	2013	2012
	£	£
Trade debtors	312,730	505,210
Amounts owed by parent and fellow subsidiary undertakings	17,502	100,001
Corporation tax	11,638	-
Prepayments and accrued income	38,874	16,049
Deferred tax asset (see note 10)	-	7,233
	<u>380,744</u>	<u>628,493</u>
9 Creditors: amounts falling due within one year	2013	2012
	£	£
Payments received on account	17,742	-
Trade creditors	471,465	250,232
Amounts owed to parent and fellow subsidiary undertakings	329,235	-
Taxes and social security costs	49,874	130,838
Other creditors	6,223	628
Accruals and deferred income	17,205	61,568
	<u>891,744</u>	<u>443,266</u>

On 10 December 2012 a fixed and floating charge repayable on demand was created by the company in favour of Perrott Engineering Group Limited over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery.

CLEAN AIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

10 Provisions for liabilities

	Deferred tax liability £
Balance at 1 November 2012	(7,233)
Profit and loss account	7,233
	<u> </u>
Balance at 31 October 2013	<u> </u> - <u> </u>

Deferred tax is provided as follows:

	2013 £	2012 £
Accelerated/(decelerated) capital allowances	<u> </u> - <u> </u>	<u> </u> (7,233) <u> </u>

11 Pension and other post-retirement benefit commitments

Defined contribution

The company operates two defined contribution pension schemes and a life assurance scheme. The assets of the schemes are held separately from those of the company in independently administered funds. At the year end, unpaid pension contributions to these funds amounted to £1,316 (2012 £1,235) which have been settled shortly after the year end.

	2013 £	2012 £
Contributions payable by the company for the year	<u> </u> 17,334 <u> </u>	<u> </u> 13,666 <u> </u>

12 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u> </u> 100 <u> </u>	<u> </u> 100 <u> </u>

CLEAN AIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2012	1,095,898
Loss for the period	(46,892)
Dividend paid	(850,000)
Balance at 31 October 2013	<u>199,006</u>

14 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
(Loss)/Profit for the financial year	(46,892)	128,153
Dividend	(850,000)	-
Net (depletion in)/addition to shareholders' funds	(896,892)	128,153
Opening shareholders' funds	<u>1,095,998</u>	<u>967,845</u>
Closing shareholders' funds	<u>199,106</u>	<u>1,095,998</u>

15 Financial commitments

At 31 October 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2014:

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire:				
Within one year	30,625	-	-	16,970
Between two and five years	-	-	6,221	6,221
In over five years	-	52,500	-	-
	<u>30,625</u>	<u>52,500</u>	<u>6,221</u>	<u>23,191</u>

CLEAN AIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

16 Capital commitments	2013	2012
	£	£
At 31 October 2013 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	-	28,575
Authorised but not contracted for	-	90,000
	<u>-</u>	<u>118,575</u>

17 Directors' remuneration	2013	2012
	£	£
Remuneration for qualifying services	61,918	51,161
Company pension contributions to defined contribution schemes	6,684	4,185
	<u>68,602</u>	<u>55,346</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2012 - 1).

18 Employees

Number of employees

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

	2013	2012
	Number	Number
Direct	13	14
Indirect	8	9
	<u>21</u>	<u>23</u>

Employment costs	2013	2012
	£	£
Wages and salaries	514,507	499,447
Social security costs	49,814	52,886
Other pension costs	17,334	13,666
	<u>581,655</u>	<u>565,999</u>

CLEAN AIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

19 Control

The company was from 1 November 2012 to 4 December 2012 a subsidiary undertaking of Havelock Europa PLC, a company incorporated in England which was also the ultimate parent and controlling party. The largest group in which the results of the company were consolidated is that headed by Havelock Europa PLC. The consolidated financial statements of this group are available to the public and may be obtained from:

Havelock Europa PLC
Group Head Office
Westway
Hillend Industrial Park
Dalgety Bay
Fife
KY11 9HE

No other group financial statements include the results of the company.

Since 4 December 2012, the company was under the immediate control of Perrott Engineering Group Limited, the ultimate parent undertaking. Perrott Engineering Group Limited was under the control of the Perrott family throughout this period, and is incorporated in England and Wales.

20 Post balance sheet events

On 9 May 2014, a dilapidations claim was received from the landlords of the premises which the company occupied at the year end. The directors have contested this and the resulting claim represents an amount that is immaterial to the financial statements.

There is an ongoing dispute with a customer of the company relating to a contract which is included in work in progress at the year end. The contract is still forecast to make a small profit when recognised upon completion and therefore no amendments to the financial statements are necessary.

21 Related party relationships and transactions

At the year end, the company was owed £5,918 from fellow subsidiary undertakings.

At the year end, the company owed £29,235 to fellow subsidiary undertakings.

At the year end, the company owed £300,000 to the parent company.

At the year end, the company was owed £11,584 by the parent company.

During the year, the company has made sales of £25,163 and purchases of £59,821 to/from fellow subsidiary undertakings.

Various recharges of expenses are made between the company and both its parent undertaking and fellow subsidiary companies.