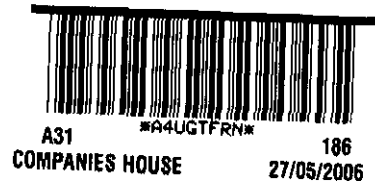


**Report of the Directors and
Financial Statements
for the Year Ended 31 July 2005
for
Ewbank Products Limited**



Ewbank Products Limited

**Contents of the Financial Statements
for the Year Ended 31 July 2005**

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Ewbank Products Limited
Company Information
for the Year Ended 31 July 2005

DIRECTORS:

J N Baseley
K Pavia
T G Hopper
C H Webber

SECRETARY:

K Pavia

REGISTERED OFFICE:

Earlex House
Moorfield Road
Slyfield Industrial Estate
Guildford
Surrey
GU1 1RU

REGISTERED NUMBER:

03312633 (England and Wales)

AUDITORS:

Roffe Swayne
Registered Auditors &
Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Ewbank Products Limited

Report of the Directors for the Year Ended 31 July 2005

The directors present their report with the financial statements of the company for the year ended 31 July 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture and sale of non electrical floorcare.

DIRECTORS

The directors during the year under review were:

J N Baseley

K Pavia

T G Hopper

C H Webber

- appointed 14.9.04

- appointed 10.5.05

The directors holding office at 31 July 2005 did not hold any beneficial interest in the issued share capital of the company at 1 August 2004 (or date of appointment if later) or 31 July 2005.

The interests of the directors in the shares of the parent company, Earlex Limited, are shown in the financial statements of that company.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Roffe Swayne, 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:

.....
K Pavia - Director

Date: 21/3/06

**Report of the Independent Auditors to the Shareholders of
Ewbank Products Limited**

We have audited the financial statements of Ewbank Products Limited for the year ended 31 July 2005 on pages five to eleven. 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.

**Report of the Independent Auditors to the Shareholders of
Ewbank Products Limited**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Roffe Swayne
Registered Auditors &
Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Roffe Swayne

Date: *23 May 2006*

Ewbank Products Limited
Profit and Loss Account
for the Year Ended 31 July 2005

	Notes	2005 £	2004 £
TURNOVER		2,274,323	2,682,334
Cost of sales		1,701,259	1,970,970
GROSS PROFIT		573,064	711,364
Administrative expenses		738,425	734,968
OPERATING LOSS	2	(165,361)	(23,604)
Interest receivable and similar income		4,146	3,406
		(161,215)	(20,198)
Interest payable and similar charges		-	24
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(161,215)	(20,222)
Tax on loss on ordinary activities	3	5,773	(3,464)
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(166,988)	(16,758)
DEFICIT FOR THE YEAR		(166,988)	(16,758)

The notes form part of these financial statements

Ewbank Products Limited

**Balance Sheet
31 July 2005**

	Notes	2005 £	2004 £
FIXED ASSETS			
Intangible assets	4	25,000	50,000
Tangible assets	5	<u>70,004</u>	<u>41,153</u>
		95,004	91,153
CURRENT ASSETS			
Stocks		206,126	258,610
Debtors	6	403,578	498,572
Cash at bank		<u>152,706</u>	<u>204,031</u>
		762,410	961,213
CREDITORS			
Amounts falling due within one year	7	<u>411,607</u>	<u>439,571</u>
NET CURRENT ASSETS		<u>350,803</u>	<u>521,642</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>445,807</u>	<u>612,795</u>
CAPITAL AND RESERVES			
Called up share capital	10	104,600	104,600
Share premium	11	455,400	455,400
Profit and loss account	11	<u>(114,193)</u>	<u>52,795</u>
SHAREHOLDERS' FUNDS		<u>445,807</u>	<u>612,795</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:



J N Baseley - Director

Approved by the Board on 21/3/06

The notes form part of these financial statements

Ewbank Products Limited

Notes to the Financial Statements for the Year Ended 31 July 2005

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.

Intangible fixed assets

Intangible fixed assets comprise brands, patents, trade marks and intellectual property rights and are stated at net book value.

The directors consider that the intangible fixed assets have a useful economic life of four years.

Tangible fixed assets

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

Plant and machinery	- 20% to 50% straight line
Fixtures and fittings	- 20% to 50% straight line
Motor vehicles	- 33% straight line
Tools, dies and moulds	- 50% straight line
Improvements to property	- over the lease term

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Pensions

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

Ewbank Products Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2005**

2. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2005 £	2004 £
Depreciation - owned assets	57,753	83,995
Loss on disposal of fixed assets	-	5,315
Goodwill amortisation	25,000	25,000
Auditors' remuneration	5,811	4,700
Pension costs	24,158	21,073
Foreign exchange gain	<u>(9,638)</u>	<u>(16,448)</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

3. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the loss on ordinary activities for the year was as follows:

	2005 £	2004 £
Current tax:		
UK corporation tax	-	15,000
(Over) / under provision in prior period	<u>-</u>	<u>(217)</u>
Total current tax	-	14,783
Deferred tax	<u>5,773</u>	<u>(18,247)</u>
Tax on loss on ordinary activities	<u><u>5,773</u></u>	<u><u>(3,464)</u></u>

4. INTANGIBLE FIXED ASSETS

COST

At 1 August 2004
and 31 July 2005

Goodwill
£

100,000

AMORTISATION

At 1 August 2004
Charge for year

50,000

25,000

At 31 July 2005

75,000

NET BOOK VALUE

At 31 July 2005

25,000

At 31 July 2004

50,000

Ewbank Products Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2005**

5. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Tooling £	Fixtures & fittings £	Totals £
COST					
At 1 August 2004	-	46,435	223,465	93,028	362,928
Additions	14,098	432	72,074	-	86,604
At 31 July 2005	14,098	46,867	295,539	93,028	449,532
DEPRECIATION					
At 1 August 2004	-	26,585	223,465	71,725	321,775
Charge for year	3,759	6,911	36,037	11,046	57,753
At 31 July 2005	3,759	33,496	259,502	82,771	379,528
NET BOOK VALUE					
At 31 July 2005	10,339	13,371	36,037	10,257	70,004
At 31 July 2004	-	19,850	-	21,303	41,153

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade debtors	365,612	476,220
Taxation	217	44
Deferred tax asset	16,535	22,308
Prepayments and accrued income	21,214	-
	<u>403,578</u>	<u>498,572</u>

Deferred tax asset

	2005 £	2004 £
Accelerated depreciation	11,869	19,296
Sundry timing differences	4,666	3,012
	<u>16,535</u>	<u>22,308</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade creditors	271,915	275,580
Taxation	-	15,000
Social security and other taxes	33,054	30,937
Other creditors and accruals	106,638	118,054
	<u>411,607</u>	<u>439,571</u>

Ewbank Products Limited

Notes to the Financial Statements - continued for the Year Ended 31 July 2005

8. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2005 £	2004 £
Expiring:		
In more than five years	<u>71,500</u>	<u>37,050</u>

During the year Ewbank took over the headlease of the industrial units and the parent company, Earlex Limited, now provides rent guarantees on behalf of the company on these units.

9. DEFERRED TAX

	£
Balance at 1 August 2004	(22,308)
Transfer to profit and loss account	5,773
	<u> </u>
Balance at 31 July 2005	<u>(16,535)</u>

10. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005 £	2004 £
104,600	Ordinary	£1	<u>104,600</u>	<u>104,600</u>

11. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 August 2004	52,795	455,400	508,195
Deficit for the year	(166,988)	-	(166,988)
	<u> </u>	<u> </u>	<u> </u>
At 31 July 2005	<u>(114,193)</u>	<u>455,400</u>	<u>341,207</u>

12. PENSION COMMITMENTS

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds and amounted to £24,158 (2004 £21,073).

There was an amount of £1,858 (2004 £10,041) outstanding and payable to the scheme at the balance sheet date.

13. ULTIMATE PARENT COMPANY

The ultimate parent company is Earlex Limited, a company incorporated in England and Wales.

Ewbank Products Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2005**

14. CONTINGENT LIABILITIES

The company received a grant of £57,000 during the year ended 31 March 1998. If certain conditions are not met, the grant is repayable in full, together with compound interest at a rate of 2% above Midland Bank Plc base rates. The conditions include, inter alia, the creation of a number of jobs, improving a building and bringing it back into use and the submission of regular monitoring forms.

15. RELATED PARTY DISCLOSURES

During the year Clarke Cable, a division of Earlex Limited, the ultimate parent company, provided management services to the company costing £739 (2004 £2,060). There were no amounts outstanding at the balance sheet date (2004 £Nil).

During the year, Earlex Inc, a subsidiary of Earlex Limited, paid sales commission to the company in respect of sales of Ewbank products in the U.S.A. Commission totalling £6,839 was receivable by the company and £1,493 was outstanding at the balance sheet date (2004 £Nil).

16. CONTROLLING PARTY

The company is owned and controlled by Earlex Limited, the ultimate parent company.