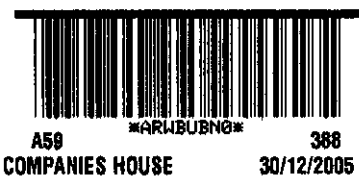


FEDERAL AIR FILTRATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 MARCH 2005
Company number 4173077



FEDERAL AIR FILTRATION LIMITED

31 MARCH 2005

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FEDERAL AIR FILTRATION LIMITED

Report of the Director

The director presents his report and financial statements for the year ended 31 March 2005.

Review of the business

The principal activity of the company during the period was the provision of services to the paint finishing industry. No change in activity is envisaged in the future.

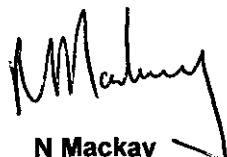
Directors and their interests

The directors of the company during the period and their beneficial interests in the shares of the company were as follows:-

| | <u>31 March</u> <u>2005</u> | <u>1 April</u> <u>2004</u> |
|----------|--|---|
| N Mackay | 1 | 1 |

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

Approved by the Board of directors on 7 December 2005 and signed on its behalf by:


N Mackay
Director

Registered Office
28 Thamesdale
London Colney
St Albans
Herts
AL2 1TB

FEDERAL AIR FILTRATION LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2005

| | Note | <u>2005</u> £ | <u>2004</u> £ |
|--|-------------|--------------------------------|--------------------------------|
| Turnover | 1 | 102,261 | 96,700 |
| Cost of sales | | (68,512) | (63,366) |
| Gross profit | | 33,749 | 33,334 |
| Administrative Expenses | | (17,312) | (14,467) |
| Operating profit | | 16,437 | 18,867 |
| Interest receivable | | 103 | 0 |
| Profit on ordinary activities before taxation | | 16,540 | 18,867 |
| Taxation | 3 | (2,853) | (2,361) |
| Profit on ordinary activities after taxation | | 13,687 | 16,506 |
| Dividends | 4 | (12,000) | (17,000) |
| Retained profit/(loss) for the year | | £1,687 | (£494) |

The attached notes form part of these financial statements.

FEDERAL AIR FILTRATION LIMITED

BALANCE SHEET

31 MARCH 2005

| | | <u>2005</u> | | <u>2004</u> | |
|--|------|-----------------|---------------|-----------------|-----------|
| | Note | £ | £ | £ | £ |
| <u>Fixed Assets</u> | | | | | |
| Tangible Assets | 5 | | 2,714 | | 3,937 |
| <u>Current Assets</u> | | | | | |
| Debtors | 6 | 22,293 | | 21,162 | |
| Cash at bank and in hand | | 17,522 | | 11,188 | |
| | | <u>39,815</u> | | <u>32,350</u> | |
| <u>Creditors: Amounts falling due within one year</u> | 7 | <u>(40,838)</u> | | <u>(36,283)</u> | |
| <u>Net Current Assets</u> | | | (1,023) | | (3,933) |
| <u>Net assets</u> | | | <u>£1,691</u> | | <u>£4</u> |
| <u>Capital and Reserves</u> | | | | | |
| Called up share capital | 8 | | 1 | | 1 |
| Profit and Loss Account | 9 | | 1,690 | | 3 |
| | | | <u>£1,691</u> | | <u>£4</u> |

The exemption conferred by S 249A (1) not to have these accounts audited applies to the Company and the directors confirm that no notice has been deposited under S 249B(2) of the Companies Act 1985.

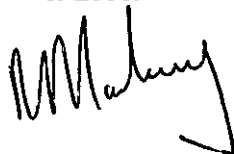
The director acknowledges his responsibility for ensuring that:

- a) the company keeps accounting records which comply with S 221 of the Companies Act 1985; and
- b) the accounts give a true and fair view of the state of affairs of the company as at 31 March 2005 and of its profit or loss for the period then ended in accordance with the requirements of S 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to the accounts so far as applicable to the Company.

The financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities, effective June 2002.

These financial statements were approved by the Board and signed on its behalf on 7 December 2005.

N Mackay
Director



The attached notes form part of these financial statements.

FEDERAL AIR FILTRATION LIMITED

NOTES TO THE ACCOUNTS

31 MARCH 2005

1 Accounting Policies

(a) Accounting Convention.

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities, effective June 2002.

(b) Depreciation

Depreciation has been provided to write off the cost less estimated residual value of tangible fixed assets over their estimated useful lives as follows:-

Computer Equipment - 25% Straight line basis
Motor vehicles - 15% Straight line basis

(c) Turnover

Turnover represents the value of goods sold and services rendered during the period, exclusive of Value Added Tax.

2 Directors

| | | |
|-------------------------|-----------------------|----------------------|
| Director's remuneration | <u>£10,350</u> | <u>£6,500</u> |
|-------------------------|-----------------------|----------------------|

The company operates from an office at the private residence of the director. The director charged the company £450 rent during the period.

3 Taxation

| | | |
|--------------------|----------------------|----------------------|
| UK Corporation Tax | <u>£2,853</u> | <u>£2,361</u> |
|--------------------|----------------------|----------------------|

4 Dividends

| | | |
|--|-----------------------|-----------------------|
| Interim dividends paid - Ordinary shares | <u>£12,000</u> | <u>£17,000</u> |
|--|-----------------------|-----------------------|

FEDERAL AIR FILTRATION LIMITED

NOTES TO THE ACCOUNTS

31 MARCH 2005

5 Tangible Fixed Assets

| | <u>Computer Equipment</u> | <u>Motor Vehicle</u> | <u>Total</u> |
|------------------------------|--------------------------------------|---------------------------------|---------------------|
| <u>Cost</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| At 1 April 2004 | 1,964 | 5,382 | 7,346 |
| Additions | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| At 31 March 2005 | <u>1,964</u> | <u>5,382</u> | <u>7,346</u> |
| <u>Amortisation</u> | | | |
| At 1 April 2004 | 1,213 | 2,196 | 3,409 |
| Charge for period | 491 | 732 | 1,223 |
| Disposals | 0 | 0 | 0 |
| At 31 March 2005 | <u>1,704</u> | <u>2,928</u> | <u>4,632</u> |
| <u>Net book value</u> | | | |
| At 31 March 2005 | <u>£ 260</u> | <u>£ 2,454</u> | <u>£ 2,714</u> |
| At 31 March 2004 | <u>£ 751</u> | <u>£ 3,186</u> | <u>£ 3,937</u> |

6 Debtors

| | <u>2005</u> | <u>2004</u> |
|---------------|--------------------|--------------------|
| | <u>£</u> | <u>£</u> |
| Trade debtors | 22,137 | 20,731 |
| Prepayments | 156 | 431 |
| | <u>£22,293</u> | <u>£21,162</u> |

**7 Creditors: Amounts falling due within
one year**

| | | |
|---------------------------------|-----------------|-----------------|
| | <u>£</u> | <u>£</u> |
| Trade creditors | 18,856 | 16,830 |
| Corporation tax | 2,854 | 2,361 |
| Other taxes and social security | 2,656 | 833 |
| Director's current account | 472 | 22 |
| Other creditors | 15,660 | 15,660 |
| Accruals | 340 | 577 |
| | <u>£40,838</u> | <u>£36,283</u> |

Other creditors consists of interest free loans from the parents of the director.

FEDERAL AIR FILTRATION LIMITED

NOTES TO THE ACCOUNTS

31 MARCH 2005

8 Share Capital

| | 2005 £ | 2004 £ |
|---|--------------|--------------|
| Authorised:- | | |
| 1,000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| Allotted, called up and fully paid:- | | |
| 1 ordinary share of £1 | <u>1</u> | <u>1</u> |

The company was controlled during the year by Mr N Mackay, the owner of the company's one ordinary share.

9 Profit and Loss Account

| | £ | £ |
|-------------------------------------|---------------|--------------|
| At 1 April 2004 | 3 | 497 |
| Retained profit/(loss) for the year | <u>1,687</u> | <u>(494)</u> |
| At 31 March 2005 | <u>£1,690</u> | <u>£3</u> |