FEDERAL AIR FILTRATION LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2005

Company number 4173077

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COMPANIES HOUSE 30/12/2005

31 MARCH 2005

CONTENTS

<u>Page</u> 1	Report of the Director
2	Profit and Loss Account
3	Balance Sheet
4 to 6	Notes to the Accounts

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> 2004	
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

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2005

	Note	2005 £	<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	o
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)

BALANCE SHEET

31 MARCH 2005

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

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.

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

2 Directors

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

Director's remuneration £10,350 £6,500 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 £2,853 £2,361 4 Dividends Interim dividends paid - Ordinary shares £12,000 £17,000

NOTES TO THE ACCOUNTS

31 MARCH 2005

Cost Equipment £ Vehicle £ Total At 1 April 2004 1,964 5,382 7,346 Additions 0 0 0 Disposals 0 0 0 At 31 March 2005 1,964 5,382 7,346 Amortisation At 1 April 2004 1,213 2,196 3,409 Charge for period 491 732 1,223 Disposals 0 0 0 0 At 31 March 2005 1,704 2,928 4,632 Net book value At 31 March 2004 £ 751 £ 3,186 £ 2,714 At 31 March 2004 £ 751 £ 3,186 £ 3,937 Feature £ 2,2454 £ 2,714 At 31 March 2004 £ 751 £ 3,186 £ 2,073 Frepayments £ £ £ £ £ £ £ £ £ <th>5 <u>Tangible Fixed Assets</u></th> <th>c</th> <th>omputer</th> <th></th> <th>Motor</th> <th></th> <th></th>	5 <u>Tangible Fixed Assets</u>	c	omputer		Motor		
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Charge for period 491 732 1,223 Disposals 0 0 0 At 31 March 2005 1,704 2,928 4,632 Net book value At 31 March 2005 £ 260 £ 2,454 £ 2,714 At 31 March 2004 £ 751 £ 3,186 £ 3,937 E £ £ £ £ 20,731 20,731 20,731 20,731 20,731 20,731 £ 221,162 22,1162 22,	<u>Amortisation</u>						
Charge for period Disposals Disposals At 31 March 2005 0	At 1 April 2004		1,213		2,196		3,409
At 31 March 2005 1,704 2,928 4,632 Net book value At 31 March 2005 £ 260 £ 2,454 £ 2,714 At 31 March 2004 £ 751 £ 3,186 £ 3,937 2005 2004 6 Debtors £ 22,137 20,731 Prepayments 156 431 £ 22,293 £ 21,162 7 Creditors: Amounts falling due within one year £ £ £ 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 22 Other creditors 15,660 15,660 Accruals 340 577	•		•		-		1,223
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At 31 March 2005 £ 260 £ 2,454 £ 2,714 At 31 March 2004 £ 751 £ 3,186 £ 3,937 2005 2004 6 Debtors Trade debtors 22,137 20,731 20,731 20,731 431 £ 431 £ 2.361 6 833	At 31 March 2005		1,704		2,928		4,632
## At 31 March 2004 ## Total Representation of the properties of	Net book value						
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E £ £ Trade debtors 22,137 20,731 Prepayments 156 431 £22,293 £21,162 7 Creditors: Amounts falling due within one year £ £ 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	At 31 March 2004	£	751	£	3,186	£	3,937
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Director's current account 472 22 Other creditors 15,660 15,660 Accruals 340 577	•						
Other creditors 15,660 15,660 Accruals 340 577							
Accruals 340 577							
£40,838 £36,283			•	_			577
			£40,838				£36,283

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

NOTES TO THE ACCOUNTS

31 MARCH 2005

8 <u>Share Capital</u>	2005	2004
	£	£
Authorised:-		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:-		
1 ordinary share of £1	1	1
The company was controlled during the yea company's one ordinary share.	r by Mr N Mackay, the owne	r of the
9 <u>Profit and Loss Account</u>		
	£	£
At 1 April 2004	3	497
Retained profit/(loss) for the year	1,687	(494)
At 31 March 2005	£1,690	£3