

FINANCIAL STATEMENTS

Pyroban Envirosafe Ltd
Year ended
30th June 2008

Company No. 3131901



Company information

Company registration number	3131901
Registered office	Endeavour Works Dolphin Road Shoreham by Sea West Sussex BN43 6QG
Directors	B N Tyrer P Behdad
Secretary	P Behdad
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors The Explorer Building Fleming Way Manor Royal Crawley West Sussex RH10 9GT

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 June 2008.

Principal activities

The principal activity of the company during the year was the sale of emission control and energy conservation products.

Directors

The directors who served the company during the year were as follows:

B N Tyrer
P Behdad

Directors' responsibilities

The directors are responsible for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 that 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

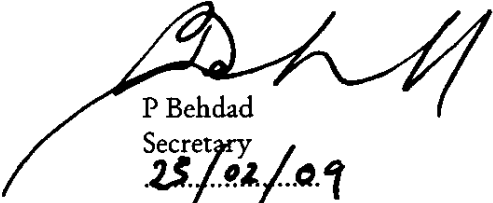
Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with section 385 of the Companies Act 1985.

Small company provisions

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

BY ORDER OF THE BOARD



P Behdad
Secretary

25/02/09

Report of the independent auditor to the members of Pyroban EnviroSAFE Limited

We have audited the financial statements of Pyroban EnviroSAFE Limited for the year ended 30 June 2008 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 17. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under 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 auditor's 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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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.

Report of the independent auditor to the members of Pyroban EnviroSAFE Limited (continued)

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 June 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.


GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

GATWICK

4 March 2009

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The principal accounting policies of the company are set out below and have remained unchanged from the previous year.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is part of a group which produces consolidated financial statements.

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business for goods and services provided as a principal, excluding VAT and trade discounts.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	period of the lease
Plant & Machinery	-	5 to 10 years straight line
Fixture & Fittings	-	3 to 5 years straight line
Leased assets	-	the lesser of the period of the lease or the useful life of the asset.

Stocks

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Provisions for liabilities and charges

The company provided 12 months warranty on the sale of its emission control and energy conservation products. Provision is made for the future warranty costs expected on sales made during the financial year.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not they will be recovered. Deferred tax is measured using rates that have been enacted or substantially enacted by the balance sheet date.

Foreign currencies

Monetary 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

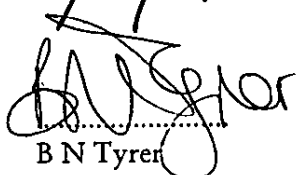
	Note	2008 £	2007 £
Turnover	1	1,038,028	550,040
Change in stocks of finished goods and work in progress		-	(1,098)
Other operating income	2	250	150
		<u>1,038,278</u>	<u>549,092</u>
Operating costs:			
Raw materials and consumables		709,734	335,217
Staff costs	3	137,837	125,923
Depreciation written off fixed assets	4	4,872	7,107
Other operating charges		<u>173,429</u>	<u>110,044</u>
Operating profit/(loss)	4	<u>12,406</u>	<u>(29,199)</u>
Interest receivable		692	627
Profit/(loss) on ordinary activities before taxation		<u>13,098</u>	<u>(28,572)</u>
Tax on profit/(loss) on ordinary activities	5	7,160	(484)
Profit/(loss) for the financial year	17	<u><u>5,938</u></u>	<u><u>(28,088)</u></u>

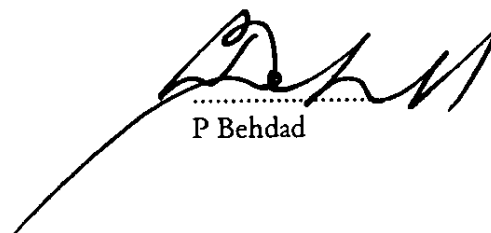
The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	7	<u>8,571</u>	<u>9,554</u>
Current assets			
Stocks	8	99,098	72,056
Debtors	9	153,295	153,843
Cash at bank		<u>40,962</u>	<u>14,065</u>
		<u>293,355</u>	<u>239,964</u>
Creditors: amounts falling due within one year	11	<u>198,167</u>	<u>154,638</u>
Net current assets		<u>95,188</u>	<u>85,326</u>
Total assets less current liabilities		<u>103,759</u>	<u>94,880</u>
Provisions for liabilities			
Other provisions	12	<u>3,666</u>	<u>725</u>
		<u>100,093</u>	<u>94,155</u>
Capital and reserves			
Called-up equity share capital	16	100	100
Profit and loss account	17	<u>99,993</u>	<u>94,055</u>
Shareholders' funds		<u>100,093</u>	<u>94,155</u>

These financial statements were approved by the directors and authorised for issue on 25/02/09, and are signed on their behalf by:


 B N Tyrer


 P Behdad

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.
 An analysis of turnover is given below:

	2008 £	2007 £
United Kingdom	863,606	289,061
Overseas sales	174,422	260,979
	<u>1,038,028</u>	<u>550,040</u>

2 Other operating income

	2008 £	2007 £
Other operating income	<u>250</u>	<u>150</u>

3 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2008 No	2007 No
Number of administrative staff	<u>4</u>	<u>4</u>

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	121,866	110,302
Social security costs	12,451	11,571
Other pension costs	3,520	4,050
	<u>137,837</u>	<u>125,923</u>

No director received any remuneration from the company in either year.

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of owned fixed assets	4,872	7,107
Auditor's remuneration: Audit fees	3,045	925
Net loss/(profit) on foreign currency translation	<u>8,334</u>	<u>(1,495)</u>

5 Taxation on ordinary activities

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year at 29.50% (2007 - 30%)	6,979	-
Over/under provision in prior year	-	408
Total current tax	<u>6,979</u>	<u>408</u>
Deferred tax:		
Origination and reversal of timing differences (note 10)		
Capital allowances	(166)	(892)
Effect of changed tax rate on opening balance	347	-
Total deferred tax (note 10)	<u>181</u>	<u>(892)</u>
Tax on profit/(loss) on ordinary activities	<u>7,160</u>	<u>(484)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 29.50% (2007 - 30%).

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	<u>13,098</u>	<u>(28,572)</u>
Profit/(loss) on ordinary activities by rate of tax	3,864	(8,572)
Expenses not deductible for tax purposes	5,948	920
Capital allowances in the period less than depreciation	235	484
Utilisation of tax losses via group relief	-	7,576

6 Dividends

Dividends on shares classed as equity

	2008 £	2007 £
Paid during the year:		
Dividends on equity shares	<u>-</u>	<u>2,000</u>

7 Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost				
At 1 July 2007	6,331	22,070	30,699	59,100
Additions	<u>1,455</u>	<u>1,673</u>	<u>761</u>	<u>3,889</u>
At 30 June 2008	<u>7,786</u>	<u>23,743</u>	<u>31,460</u>	<u>62,989</u>
Depreciation				
At 1 July 2007	5,873	14,462	29,211	49,546
Charge for the year	<u>291</u>	<u>3,513</u>	<u>1,068</u>	<u>4,872</u>
At 30 June 2008	<u>6,164</u>	<u>17,975</u>	<u>30,279</u>	<u>54,418</u>
Net book value				
At 30 June 2008	<u>1,622</u>	<u>5,768</u>	<u>1,181</u>	<u>8,571</u>
At 30 June 2007	<u>458</u>	<u>7,608</u>	<u>1,488</u>	<u>9,554</u>

8 Stocks

	2008 £	2007 £
Raw materials	<u>99,098</u>	<u>72,056</u>

There was no significant differences between the replacement cost and the value disclosed for stocks.

9 Debtors

	2008 £	2007 £
Trade debtors	134,456	151,251
Amounts owed by group undertakings	12,790	395
Other debtors	391	-
Prepayments and accrued income	4,679	1,037

10 Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2008	2007
	£	£
Included in debtors (note 9)	<u>979</u>	<u>1,160</u>

The movement in the deferred taxation account during the year was:

	2008	2007
	£	£
Balance brought forward	1,160	268
Profit and loss account movement arising during the year	<u>(181)</u>	<u>892</u>
Balance carried forward	<u>979</u>	<u>1,160</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2008	2007
	£	£
Excess of depreciation over taxation allowances	<u>979</u>	<u>1,160</u>

11 Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	96,507	46,652
Amounts owed to group undertakings	58,125	73,756
Corporation tax	10,366	3,795
PAYE and social security	20,100	19,702
Other creditors	1,104	5,969
Accruals and deferred income	11,965	4,764
	<u>198,167</u>	<u>154,638</u>

12 Other provisions

	Warranty Provision £
Balance brought forward	725
Profit and Loss Account movement arising during the year	<u>2,941</u>
Balance carried forward	<u>3,666</u>

13 Leasing commitments

At 30 June 2008 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2008 £	2007 £
Operating leases which expire:		
Within 1 year	10,632	17,134
Within 2 to 5 years	-	10,423
	<u>10,632</u>	<u>27,557</u>

14 Contingent liabilities

There were no contingent liabilities at 30 June 2008 or 30 June 2007.

15 Related party transactions

In accordance with the terms of Financial Reporting Standard No 8 on Related Party Transactions details of transactions with the company's fellow subsidiary undertakings and its parent undertaking are not disclosed as Pyroban Group Limited prepares consolidated financial statements which include the results of all the companies in the group.

16 Share capital

Authorised share capital:

	2008 £	2007 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17 Profit and loss account

	2008 £	2007 £
Balance brought forward	94,055	124,143
Profit/(loss) for the financial year	5,938	(28,088)
Equity dividends	-	(2,000)
Balance carried forward	<u>99,993</u>	<u>94,055</u>