

Company Registration No. 3292598 (England and Wales)

AIR PLANTS DUST EXTRACTION LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005



AIR PLANTS DUST EXTRACTION LIMITED

COMPANY INFORMATION

Directors	P C Fletcher C J Smith J G Smith J T Wilkinson D A Bryson
Secretary	J T Wilkinson
Company number	3292598
Registered office	295 Aylestone Road Leicester LE2 7PB
Auditors	Thomas May & Co Chartered Accountants Allen House Newarke Street Leicester LE1 5SG
Business address	295 Aylestone Road Leicester LE2 7PB
Bankers	National Westminster Bank plc 1 Granby Street Leicester LE1 9GT

AIR PLANTS DUST EXTRACTION LIMITED

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AIR PLANTS DUST EXTRACTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005

The directors present their report and financial statements for the year ended 30 September 2005.

Principal activities and review of the business

The principal activity of the company continued to be that of air movement and general fabrication engineers.

Trading and profit continues to be acceptable. Trading in the current year is considered to be satisfactory.

As at close of business on 30th September 2005 the company acquired the assets of Air Plants Heating Limited at Balance sheet value.

Results and dividends

The results for the year are set out on page 4.

The directors recommend payment of an ordinary dividend amounting to £375,000.

Future developments

Directors

The following directors have held office since 1 October 2004:

P C Fletcher
C J Smith
J G Smith
J T Wilkinson
D A Bryson

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 September 2005	1 October 2004
P C Fletcher	-	-
C J Smith	-	-
J G Smith	-	-
J T Wilkinson	-	-
D A Bryson	-	-

Mr P C. Fletcher, Mr J. G. Smith and Mr J. T. Wilkinson are also directors of the ultimate parent company and their interests in that company were disclosed in the financial statements of that company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Thomas May & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

AIR PLANTS DUST EXTRACTION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

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 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.

On behalf of the board



J G Smith

Director

25 July 2006

AIR PLANTS DUST EXTRACTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AIR PLANTS DUST EXTRACTION LIMITED

We have audited the financial statements of Air Plants Dust Extraction Limited for the year ended 30 September 2005 set out on pages 4 to 16. These financial statements have been prepared 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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the 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 directors' report is not consistent with the financial statements, if the company has not kept proper accounting records or 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 directors' report 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Allen House
Newarke Street
Leicester
LE1 5SG



Thomas May & Co

Chartered Accountants
Registered Auditors

25 July 2006

AIR PLANTS DUST EXTRACTION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Notes	2005 £	2004 £
Turnover	2	3,983,584	4,073,096
Cost of sales		(1,959,571)	(2,202,841)
Gross profit		2,024,013	1,870,255
Research and development costs		(149,900)	(193,150)
Administrative expenses		(1,334,624)	(1,326,834)
Operating profit	3	539,489	350,271
Other interest receivable and similar income		14,867	4,495
Profit on ordinary activities before taxation		554,356	354,766
Tax on profit on ordinary activities	5	(123,562)	(78,141)
Profit on ordinary activities after taxation		430,794	276,625
Dividends	6	(375,000)	(300,000)
Retained profit/(loss) for the year	14	55,794	(23,375)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

AIR PLANTS DUST EXTRACTION LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Notes	2005 £	2004 £
Profit for the financial year		430,794	276,625
Prior year adjustment	14	-	21,619
Total gains and losses recognised since last financial statements		<u>430,794</u>	<u>298,244</u>

AIR PLANTS DUST EXTRACTION LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2005

	Notes	£	2005 £	£	2004 £
Fixed assets					
Tangible assets	7		41,358		49,090
Current assets					
Stocks	8	11,605		12,650	
Debtors	9	974,936		1,335,130	
Cash at bank and in hand		439,168		36,970	
		1,425,709		1,384,750	
Creditors: amounts falling due within one year	10	(1,210,545)		(1,118,032)	
Net current assets			215,164		266,718
Total assets less current liabilities			256,522		315,808
Provisions for liabilities and charges	11		(107,327)		(222,407)
			149,195		93,401
Capital and reserves					
Called up share capital	13		1,000		1,000
Profit and loss account	14		148,195		92,401
Shareholders' funds - equity interests	15		149,195		93,401

The financial statements were approved by the Board on 25 July 2006



J G Smith
Director

AIR PLANTS DUST EXTRACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents sales to third parties and other subsidiary companies within the group, and includes amounts recognised on contracts where the right to consideration has been obtained.

1.3 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:

Fixtures, fittings & equipment	15% per annum on reducing balance
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1.4 Leasing

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

1.5 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Provision is made for the full amounts of foreseeable losses on contracts.

1.6 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.7 Pensions

The company operates a defined contribution 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

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax 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.

1.9 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

AIR PLANTS DUST EXTRACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

2005

2004

£

£

Operating profit is stated after charging:

Depreciation of tangible assets

7,732

8,664

Operating lease rentals

- Plant and machinery

103,174

95,755

Auditors' remuneration

5,867

9,068

4 Investment income

2005

2004

£

£

Other interest

14,867

4,495

AIR PLANTS DUST EXTRACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

5	Taxation	2005 £	2004 £
	Domestic current year tax		
	U.K. corporation tax	144,847	76,014
	Adjustment for prior years	(21,001)	-
	Current tax charge	123,846	76,014
	Deferred tax		
	Deferred tax charge/credit current year	(284)	2,127
		123,562	78,141
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	554,356	354,766
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004 - 30.00%)	166,307	106,430
	Effects of:		
	Non deductible expenses	741	684
	Depreciation add back	2,320	2,599
	Capital allowances	(2,035)	(4,726)
	Adjustments to previous periods	(21,001)	-
	Other tax adjustments	(22,486)	(28,973)
		(42,461)	(30,416)
	Current tax charge	123,846	76,014
6	Dividends	2005 £	2004 £
	Ordinary final proposed	375,000	300,000

AIR PLANTS DUST EXTRACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

7 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 October 2004	355,408
Intercompany transfers	7,636
	<hr/>
At 30 September 2005	363,044
Depreciation	
At 1 October 2004	306,318
Intercompany transfers	7,636
Charge for the year	7,732
	<hr/>
At 30 September 2005	321,686
Net book value	
At 30 September 2005	41,358
	<hr/>
At 30 September 2004	49,090
	<hr/>

8 Stocks and work in progress

	2005 £	2004 £
Raw materials and consumables	10,313	12,650
Work in progress	7,637	-
Payments on account	(6,345)	-
	<hr/>	<hr/>
	11,605	12,650
	<hr/>	<hr/>

AIR PLANTS DUST EXTRACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

9 Debtors	2005 £	2004 £
Trade debtors	625,745	656,036
Amounts recoverable on long term contracts	185,248	238,016
Amounts owed by parent and fellow subsidiary undertakings	115,254	404,780
Other debtors	26,490	7,835
Prepayments and accrued income	22,199	28,463
	<u>974,936</u>	<u>1,335,130</u>

10 Creditors: amounts falling due within one year	2005 £	2004 £
Payments received on account	36,612	27,186
Trade creditors	400,515	558,070
Amounts owed to parent and fellow subsidiary undertakings	-	6,288
Corporation tax	39,126	20,278
Other taxes and social security costs	164,800	84,724
Other creditors	192,107	117,820
Accruals and deferred income	2,385	3,666
Proposed dividend	375,000	300,000
	<u>1,210,545</u>	<u>1,118,032</u>

The company has granted a fixed and floating charge over all of its assets to Smith Brothers (Leicester) Limited to secure all current and future amounts due.

AIR PLANTS DUST EXTRACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

11 Provisions for liabilities and charges

	Guarantee Provision	Deferred tax (asset)/liability	Total
	£	£	£
Balance at 1 October 2004	215,819	6,588	222,407
Profit and loss account	(114,763)	(284)	(115,047)
Transfer from Air Plants Heating Limited	-	(33)	(33)
Balance at 30 September 2005	101,056	6,271	107,327

The deferred tax liability is made up as follows:

	2005 £	2004 £
Accelerated capital allowances	6,271	6,588

12 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund, and amounted to £2,850 (2004 £2,850). No contributions were due to the fund at the year end.

A further £19,232 (2004 £19,232) was paid to personal pension plans during the year.

(Money Purchase Schemes £16,732 (2004 £16,732))

(Personal Pension Plans £2,500 (2004 £2,500)).

	2005 £	2004 £
Contributions payable by the company for the year	22,082	22,082

AIR PLANTS DUST EXTRACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

13 Share capital	2005	2004
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
14 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 October 2004		92,401
Retained profit for the year		55,794
Balance at 30 September 2005		148,195
15 Reconciliation of movements in shareholders' funds	2005	2004
	£	£
Profit for the financial year	430,794	276,625
Dividends	(375,000)	(300,000)
Net addition to/(depletion in) shareholders' funds	55,794	(23,375)
Opening shareholders' funds	93,401	116,776
Closing shareholders' funds	149,195	93,401

AIR PLANTS DUST EXTRACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

16 Financial commitments

At 30 September 2005 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2006:

	2005 £	Other 2004 £
Operating leases which expire:		
Within one year	2,904	2,702
Between two and five years	88,193	80,009
	<u>91,097</u>	<u>82,711</u>

The company also occupies properties owned by its parent company.

17 Directors' emoluments

	2005 £	2004 £
Emoluments for qualifying services	87,033	75,502
Company pension contributions to money purchase schemes	16,732	16,732
	<u>103,765</u>	<u>92,234</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2004 - 1).

AIR PLANTS DUST EXTRACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

18 Employees

Number of employees

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

	2005 Number	2004 Number
Directors	5	5
Other staff	59	59
	<u>64</u>	<u>64</u>

Employment costs

	2005 £	2004 £
Wages and salaries	1,490,648	1,436,108
Social security costs	160,575	152,383
Other pension costs	22,082	22,082
	<u>1,673,305</u>	<u>1,610,573</u>

19 Control

The ultimate parent company is Smith Brothers (Leicester) Limited, a company registered in England and Wales.

Smith Brothers (Leicester) Limited prepares group financial statements and copies can be obtained from Companies House, Crown Way, Maindy, Cardiff.

AIR PLANTS DUST EXTRACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

20 Related party transactions

During the year ending 30 September 2005 the company was charged £107,193 for rental and purchase of vehicles and equipment from Brightside Securities Limited

The company was also charged £1,564 for property repairs from Charles Bass (Carriers) Limited. Sales to Charles Bass (Carriers) Limited for ancillary services amounted to £5,446. The balance owed by the company to Charles Bass (Carriers) Limited as at 30th September 2005 was £95. No amounts were owed to the company by Charles Bass (Carriers) Limited as at 30th September 2005.

Both Charles Bass (Carriers) Ltd and Brightside Securities Limited are companies in which Mr J G Smith and Mr P C Fletcher are directors. In addition they are both shareholders of Charles Bass (Carriers) Limited and Mr J G Smith and Mr J T Wilkinson have non-beneficial shareholdings in Brightside Securities Limited. Mr J G Smith, Mr P C Fletcher and Mr J T Wilkinson are also directors and shareholders of Smith Brothers (Leicester) Limited, although certain shareholdings are non-beneficial.

Transactions between the group and the two companies have been undertaken at arms length and on normal commercial terms.

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.