Company Registration No. 2823715

Comstack Limited

Report and Financial Statements

30 April 2004

REPORT AND FINANCIAL STATEMENTS 2004

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REPORT AND FINANCIAL STATEMENTS 2004

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K D Breen
O G Burns
J Shepherd

SECRETARY

JM Owen

REGISTERED OFFICE

The City Technology Centre
Walton Road
Portsmouth
PO6 1SZ

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Reading

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2004.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activity is to operate as a holding company.

RESULTS AND DIVIDENDS

The profit for the year after taxation, amounted to £nil (2003: £nil). An interim dividend of £7,500,000 (2003: £nil) was paid during the year. The directors do not recommend the payment of a final dividend (2003: £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

K D Breen
O G Burns
J Shepherd

None of the directors had an interest in the share capital of the company. All of the directors are also directors of First Technology PLC, the ultimate parent company, and their interests in the share capital of that company are disclosed in its financial statements.

AUDITORS

Deloitte and Touche LLP have expressed their willingness to continue in office as auditors of the Company and in accordance with Section 385 of the Companies Act 1985, a resolution to reappoint them will be proposed at the Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

K D Breen

Director

14 February 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed, and;
- 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. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMSTACK LIMITED

We have audited the financial statements of Comstack Limited for the year ended 30 April 2004 which comprise the balance sheet and the related notes 1 to 14.

These financial statements have been prepared 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 auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 if, in our opinion, the directors' report 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 directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 April 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors

Reading

25 February 2005

PROFIT AND LOSS ACCOUNT
Year ended 30 April 2004

	Note	2004 £'000	2003 £'000
Income from shares in group companies		7,500	-
Profit on ordinary activities before and after taxation	2, 4	7,500	-
Dividends	5	(7,500)	-
Retained profit for the financial year	10	-	-

All results are derived from continuing operations.

The company has no recognised gains or losses for the year other than as shown in the profit and loss account above. Accordingly no statement of total recognised gains and losses is presented.

BALANCE SHEET
30 April 2004

	Note	2004 £'000	2003 £'000
FIXED ASSETS			
Investments	6	24,396	24,396
CURRENT ASSETS			
Debtors	7	3,555	3,555
CREDITORS: amounts falling due within one year	8	(17,489)	(17,489)
NET CURRENT LIABILITIES		(13,934)	(13,934)
NET ASSETS		10,462	10,462
CAPITAL AND RESERVES			
Called up share capital	9	120	120
Share premium account	10	8,192	8,192
Profit and loss account	10	2,150	2,150
EQUITY SHAREHOLDERS' FUNDS		10,462	10,462

These financial statements were approved by the Board of Directors on 14 February 2005

Signed on behalf of the Board of Directors

K D Breen

Director

NOTES TO THE ACCOUNTS
Year ended 30 April 2004

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and preceding year.

Basis of accounting

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

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of First Technology PLC, which prepares consolidated financial statements which are publicly available. The company is also, on this basis, exempt from the requirement of FRS1 (revised) to present a cash flow statement. Accordingly, these financial statements present information about the company on an individual basis and not as a group.

Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during either the current or preceding financial year and made neither a profit nor loss, nor any other recognised gain or loss. There were no movements in shareholders' funds in either the current or preceding year. Auditors' fees for both years were borne by other group companies.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees during the year under review (2003: nil) other than the directors. The directors received or waived no emoluments during the year in respect of their services to the company. (2003: £nil). None of the directors' emoluments paid by other group companies were allocated to the company (2003: £nil).

4. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

There is no tax charge arising on the profit on ordinary activities (2003: £nil).

Deferred tax

Deferred tax asset arising on tax losses available of £18,000 (2003: £18,000) has not been recognised because in the opinion of the directors there will not be sufficient taxable profits in the future to offset those losses.

NOTES TO THE ACCOUNTS
Year ended 30 April 2004

5. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	7,500	-
Tax on profit on ordinary activities at standard UK corporation tax rate of 30%	2,250	-
Effects of:		
Dividend income on which no UK tax arises	(2,250)	-
Current tax charge for the year	-	-

5. DIVIDENDS PAID

	2004 £'000	2003 £'000
Dividends on ordinary shares:		
Dividends paid	7,500	-

6. INVESTMENTS

Subsidiary undertaking

	2004 £'000	2003 £'000
Investment in subsidiary undertaking at cost	24,396	24,396

The company owns 100% of the share capital of City Technology Limited, registered in England and Wales. City Technology Limited's principal activity is the design, research into and development of, marketing and manufacture of gas sensors.

7. DEBTORS

	2004 £'000	2003 £'000
Amounts owed by group undertakings	3,555	3,555

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £'000	2003 £'000
Amounts owed to group undertakings	17,489	17,489

NOTES TO THE ACCOUNTS
Year ended 30 April 2004

9. CALLED UP SHARE CAPITAL

	2004 £'000	2003 £'000
Authorised		
12,004,246 ordinary shares of 1p each	120	120
Called up, allotted and fully paid		
12,004,246 ordinary shares of 1p each	120	120

10. RESERVES

	Share premium account £'000	Profit and loss account £'000
At 1 May 2003 and 30 April 2004	8,192	2,150

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £'000	2003 £'000
Profit for the financial year	7,500	-
Dividends	(7,500)	-
Net addition to shareholders' funds	-	-
Opening shareholders' funds	10,462	10,462
Closing shareholders' funds	10,462	10,462

12. CONTINGENT LIABILITIES

The company has guaranteed the bank loans and overdrafts of its parent and fellow subsidiary undertakings. At the year end the amount of the loans and overdrafts guaranteed was £3,469,000 (2003: £2,878,000).

13. ULTIMATE PARENT COMPANY

The directors regard First Technology PLC, a company registered in England and Wales, as the company's ultimate parent company and controlling party. First Technology PLC is the parent company of the only group of which Comstack Limited is a member and for which group financial statements are drawn up. Copies of that company's financial statements can be obtained from the Company Secretary, 2 Columbus Drive, Summit Avenue, Southwood, Farnborough, Hampshire, GU14 0NZ.

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption provided by Financial Reporting Standard No 8, Related Party Disclosures, and not disclosed transactions with group companies.