

**BAJ COATINGS LIMITED**

**Report and Balance Sheet**

**31 December 2004**



**REPORT AND BALANCE SHEET 2004**

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**NOTICE OF MEETING**

Notice is hereby given that the Annual General Meeting of the members of BAJ Coatings Limited will be held at Farris House, Cowgrove, Wimborne, Dorset at 5.00 pm on 11 August 2005 to transact the following business:

1. To receive and approve the report of the directors and the balance sheet for the year ended 31 December 2004.
2. To re-elect Mr D H Clark a director of the company.
3. To transact the other business of an Annual General Meeting.

*By order of the Board*

A handwritten signature in black ink, appearing to be 'D H Clark', written over a horizontal line.

D H Clark  
Secretary

Note: A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not also be a member.

**OFFICERS AND COMPANY INFORMATION**

**DIRECTORS**

D H Clark  
P E Green

**SECRETARY**

D H Clark

**REGISTERED OFFICE**

Farrs House  
Cowgrove  
Wimborne  
Dorset  
BH21 4EL

**DIRECTORS' REPORT**

The directors present their annual report and the balance sheet for the year ended 31 December 2004.

**PRINCIPAL ACTIVITY**

The company no longer trades.

**REVIEW OF THE BUSINESS**

The company did not trade during the year ended 31 December 2004 and made neither profit nor loss.

**DIVIDENDS**

*The directors do not recommend the payment of a dividend (2003: £Nil).*

**DIRECTORS AND THEIR INTERESTS**

The following were directors of the company during the year:

D H Clark

P E Green

Mr D H Clark retires by rotation and, being eligible, offers himself for re-election.

The directors held no interest in the shares of the company at 1 January 2004 and 31 December 2004.

Mr P E Green is also a director of Meggitt PLC and his interests in the shares of that company are disclosed in its financial statements.

The interests of the other director in office at the end of the year in the shares of Meggitt PLC was as follows:

**Meggitt PLC Ordinary 5 pence shares**

Ordinary shares fully paid		At 31.12.04	At 1.1.04
D H Clark		30,778	24,629
Ordinary share options		At 1.1.04	Rights issue adjustment At 31.12.04
D H Clark	Meggitt 1996 No 1 Executive Share Option Scheme	22,089	3,281
	Meggitt 1996 No 2 Executive Share Option Scheme	98,492	14,635
	Meggitt 1998 Sharesave Scheme	9,091	1,350

Further details of the Meggitt PLC Share Schemes are given in the accounts of that company.

The market price of the shares at 31 December 2004 was 261.75p and the range during the year was 208.00p to 268.00p.

The directors do not hold any shares in any other group company.

**DIRECTORS' REPORT (Continued)**

**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 confirm that they have complied with the above requirements in preparing the financial statements.

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 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.

**AUDITORS**

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

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

A handwritten signature in black ink, appearing to be 'D H Clark', written in a cursive style.

D H Clark  
Secretary

**BALANCE SHEET**  
**31 December 2004**

	Note	2004 £'000	2003 £'000
Debtors	4	2,219	2,219
<b>NET CURRENT ASSETS</b>		<u>2,219</u>	<u>2,219</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,219</u>	<u>2,219</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	2,250	2,250
Profit and loss account		(31)	(31)
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>2,219</u>	<u>2,219</u>
Shareholders' funds are attributable to:			
Equity shareholders		1,003	1,003
Non-equity shareholders		1,216	1,216
		<u>2,219</u>	<u>2,219</u>

For the year ended 31 December 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221, and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The balance sheet was approved by the Board of Directors on 25 February 2005.

Signed on behalf of the Board of Directors



P E Green  
Director

**NOTES TO THE BALANCE SHEET**  
**Year ended 31 December 2004**

**1. ACCOUNTING POLICY**

The balance sheet has been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. The particular accounting policies adopted are described below.

**2. PROFIT AND LOSS ACCOUNT**

The company did not trade during the current or preceding financial year and consequently made neither profit nor loss. There are no recognised gains and losses for the current financial year and preceding financial year. Accordingly no statement of gains and losses has been produced.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The company paid no directors' emoluments during the financial year. Both of the directors are employees of Meggitt PLC and are remunerated by that company for their services to the group as a whole. It is not practicable to apportion their remuneration between the individual companies of which they are directors.

The company had no employees during the year.

One of the directors exercised options in the shares of the ultimate holding company, Meggitt PLC, during the year (2003 – both).

**4. DEBTORS**

	2004 £'000	2003 £'000
Amounts owed by group companies	2,219	2,219

**5. CALLED UP SHARE CAPITAL**

	2004 £'000	2003 £'000
Authorised		
1,250,005 deferred shares of £1 each	1,250	1,250
1,000,100 ordinary shares of £1 each	1,000	1,000
	<u>2,250</u>	<u>2,250</u>
Called up, allotted and fully paid		
1,250,005 deferred shares of £1 each	1,250	1,250
1,000,100 ordinary shares of £1 each	1,000	1,000
	<u>2,250</u>	<u>2,250</u>

**Rights attached to deferred shares**

The deferred shares have the following rights:

- no right to receive dividends;
- on liquidation the holders of the deferred shares receive an amount not exceeding the paid up amount after payment to the holders of the ordinary shares of £20,000 per share; and
- no right to vote at any general meeting of the company.



**NOTES TO THE BALANCE SHEET**  
**Year ended 31 December 2003**

**6. CASH FLOW STATEMENT**

As a wholly owned subsidiary of a UK registered company, BAJ Coatings Limited has taken advantage of the exemption from the requirement to produce a cash flow statement. A consolidated cash flow statement is included in the Meggitt PLC group accounts.

**7. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The company's ultimate parent company and controlling party is Meggitt PLC, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the group accounts may be obtained from Meggitt PLC, Farris House, Cowgrove, Wimborne, Dorset, BH21 4EL.

The company has taken advantage of the exemption contained in Financial Reporting Standard No 8 from the requirement to disclose related party transactions within the group.