Registered Number 994043

Vector Engineering Products Limited

Directors' report and financial statements

for the year ended 31 December 2004

Vector Engineering Products Limited

Directors' report and financial statements for the year ended 31 December 2004

Contents

Vector Engineering Products Limited

Directors' report for the year ended 31 December 2004

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2004.

Principal activity
The principal activity is that of a holding company. The company's principal subsidiary undertakings are shown in note 5 to the financial statements.

Results and dividend
The profit for the year after taxation amounted to £2,449,000 (2003: loss £1,771,000). The directors do not propose the payment of a dividend (2003: £nil). Accordingly there was a transfer to reserves of £2,449,000 (2003: from reserves £1,771,000).

Directors and their interests
The composition of the board of directors during the year, and up to the date of this report, was as follows:

AO Fischer
I Fisher
AT Fletcher
SA Smith

None of the directors held any beneficial interests in the share capital of the company during the year.

All the directors at the year end are also directors of the ultimate parent undertaking, Helix Industries Limited, and their interests in the share capital and unsecured loan notes of that company are disclosed in the financial statements of Helix Industries Limited.

Statement of directors' responsibilities
Company law requires the directors to prepare financial statements for each financial year that 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 year. The directors are required to 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 suitable accounting policies have been used and applied consistently as explained on page 6 under note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable United Kingdom accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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.

Vector Engineering Products Limited

Directors' report for the year ended 31 December 2004 (continued)

Auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the Board

SA Smith
Director
9 June 2005

Registered Office:

2B Sidings Court
Doncaster
DN4 5NU

Independent auditors' report to the members of Vector Engineering Products Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and related notes.

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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, 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 is not disclosed.

Basis of audit opinion
We conducted our audit in accordance with 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 at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Leeds
13 June 2005

Vector Engineering Products Limited

Profit and loss account for the year ended 31 December 2004

	Note	2004	2003
		£'000	£'000
Operating profit		**-**	-
Loss on disposal of subsidiary undertakings		**-**	(1,771)
Amounts written off investments	5	**2,449**	-
Profit/(loss) on ordinary activities before taxation		**2,449**	(1,771)
Tax on profit/(loss) on ordinary activities	4	**-**	-
Profit/(loss) on ordinary activities after taxation		**2,449**	(1,771)
Dividends		**-**	-
Retained profit /(loss) for the financial year	8,9	**2,449**	(1,771)

The company has no recognised gains or losses other than those shown in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

Vector Engineering Products Limited

Balance sheet as at 31 December 2004

	Note	2004	2003
		£'000	£'000
Fixed Assets			
Investments	5	**131,986**	125,463
Creditors: amounts falling due after more than one year	6	**(103,308)**	(99,234)
Net assets		**28,678**	26,229
Capital and Reserves			
Called up share capital	7	**28,000**	28,000
Profit and loss account	8	**678**	(1,771)
Shareholders' funds	9	**28,678**	26,229

The financial statements on pages 4 to 10 were approved by the board of directors on 9 June 2005 and were signed on its behalf by:

SA Smith
Director

Vector Engineering Products Limited

Notes to the financial statements for the year ended 31 December 2004

1 Accounting policies

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards. The principal accounting policies, which the directors have adopted within that convention, are set out below.

Investments in subsidiary undertakings
Investments in subsidiary undertakings are recorded at acquisition cost, less provision to reduce the carrying value to its estimated recoverable amount where, in the opinion of the directors, there has been an impairment.

Taxation
The charge for taxation is based on the result for the period. In accordance with FRS 19, deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is recognised in respect of tax losses to the extent that they are regarded as recoverable on the basis that it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

2 Directors' emoluments

None of the directors received any emoluments in respect of their services to the company (2003: £nil). There were no employees other than the directors (2003: nil).

3 Auditors' remuneration

Auditors' remuneration was borne by a fellow group undertaking.

4 Tax on profit/(loss) on ordinary activities

The differences between total current tax assessed and the standard rate of corporation tax in the UK (30%) are explained below:

	2004	2003
	£'000	£'000
Profit / (loss) on ordinary activities before taxation	**2,449**	(1,771)
Loss on ordinary activities multiplied by standard rate in the UK 30% (2003: 30%)	**735**	(531)
Amounts not deductible / (taxable) for tax purposes	**(735)**	531
Tax on profit / (loss) on ordinary activities	**-**	-

5 Investments

	Gross cost	**Provision**	**Total**
	£'000	**£'000**	**£'000**
At 1 January 2004	*130,328*	*(4,865)*	*125,463*
Additions	4,074	-	4,074
Movement in provisions	-	2,449	2,449
At 31 December 2004	**134,402**	**(2,416)**	**131,986**

The additions in the year relate to the purchases of subsidiaries from other group companies. All companies acquired, with the exception of International Marine Systems Limited, have been placed in Members Voluntary Liquidation, or USA equivalent and the values to be realised are expected to be not less than the value invested in the companies.

Notes to the financial statements for the year ended 31 December 2004 (continued)

5 Investments (continued)

Details of the principal subsidiary undertakings in which the company holds an investment are shown below. All subsidiaries are wholly owned.

Name	Country of registration	Main activity
Vector Building Products Limited	England and Wales	Holding Company
Vector Engineering & Aviation Limited	England and Wales	Holding Company
Vector Engineering Industries Limited	England and Wales	Holding Company
Vector Marine USA Inc	USA	Holding Company
International Marine Systems Limited	England and Wales	Dormant Company
Vector Ventilation Ltd	England and Wales	Dormant Company

The directors are of the opinion that the value of the company's investment in its subsidiaries is not less than the book value. An impairment charge has been provided to reduce the book value to its estimated recoverable amount.

6 Creditors: amounts falling due after more than one year

	2004	2003
	£'000	£'000
Amounts owed to group undertakings	**103,308**	99,234

The amounts owed to group undertakings are unsecured, interest free and have no fixed repayment dates.

Notes to the financial statements for the year ended 31 December 2004 (continued)

7 Called up share capital

	2004	2003
	£'000	£'000
Authorised		
28,000,000 ordinary shares of £1 each	**28,000**	28,000
Allotted, called up and fully paid		
28,000,000 ordinary shares of £1 each	**28,000**	28,000

8 Reserves

	Profit and loss account
	£'000
At 1 January 2004	(1,771)
Retained profit for the financial year	2,449
At 31 December 2004	**678**

9 Reconciliation of movements in shareholders' funds

	2004	2003
	£'000	£'000
Profit/(loss) for the financial year	**2,449**	(1,771)
Net increase/(reduction) in shareholders' funds	**2,449**	(1,771)
Opening shareholders' funds	**26,229**	28,000
Closing shareholders' funds	**28,678**	26,229

10 Cash flow statement

The company is exempt from preparing a cash flow statement as required by FRS 1 (Revised) 1996 as it is a wholly owned subsidiary undertaking within the context of the standard. A consolidated group cash flow statement is included in the financial statements of Helix Industries Limited, the ultimate parent undertaking.

Notes to the financial statements for the year ended 31 December 2004 (continued)

11 Contingent liabilities

The company has entered into an unlimited cross guarantee arrangement in respect of the borrowings of all companies in the Helix Industries group. At 31 December 2004 the net borrowings of the group amounted to approximately £33 million (2003: £38 million).

The bank holds a debenture in respect of the company incorporating a fixed and floating charge over all assets.

12 Ultimate parent undertaking and related party transactions

The company is a wholly owned subsidiary of Vector Engineering Limited, a company registered in England and Wales, and thus under Section 228 of the Companies Act 1985 is exempt from producing group financial statements.

The ultimate parent undertaking and controlling is Helix Industries Limited, a company registered in England and Wales. The Helix Industries group is both the smallest and the largest group into which the company's financial statements are consolidated. Copies of the group financial statements for the ultimate parent undertaking may be obtained from the following address:

The Secretary
Helix Industries Limited
2B Sidings Court
Doncaster
South Yorkshire
DN4 5NU

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under FRS 8 "Related Party Disclosures", as the consolidated financial statements of Helix Industries Limited in which the company is included are available at the address noted above.