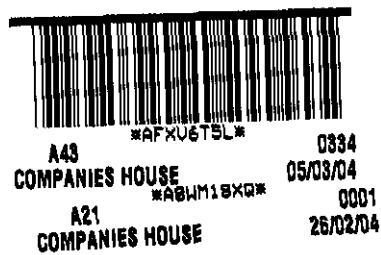


FRANCIS SHAW PLC

(REGISTERED NUMBER 105486)

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2003**



FRANCIS SHAW PLC

DIRECTORS REPORT FOR THE YEAR ENDED 31 JULY 2003

The directors have pleasure in submitting their report together with the unaudited accounts for the year ended 31st July 2003.

ACTIVITIES AND ACCOUNTING PERIOD

The company did not trade during the year.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

Mr G M Norris
Mr D A Penn

The beneficial interests of the directors and their families on 31 July 2002 in the shares and options of Smiths Group plc were as follows:


	Ordinary shares		Ordinary shares under option			
	31 July 2003	1 August 2002	1 August 2002	Options Granted	Options Lapsed	31 July 2003
G M Norris	33,450	31,777	80,450	31,673	-	112,123
D A Penn	-	-	37,051	10,364	(2,005)	45,410

Further information on the share options may be found in the annual report of Smiths Group plc.

AUDITORS

The company is a dormant company within the meaning of section 249AA of the Companies Act 1985 (Audit Exemption) (Amendment) Regulations 2000, and is accordingly exempt from the obligation to appoint auditors.

By order of the Board



D A PENN

21 November 2003

FRANCIS SHAW PLC

BALANCE SHEET AT 31 JULY 2003

	<u>Notes</u>	2003 £	2002 £
CURRENT ASSETS			
Debtors	3	1,610,414	1,610,414
NET CURRENT ASSETS		<u>1,610,414</u>	<u>1,610,414</u>
NET ASSETS		<u>1,610,414</u>	<u>1,610,414</u>
CAPITAL AND RESERVES			
Called up share capital	4		
Equity		1,270,414	1,270,414
Non-equity		340,000	340,000
TOTAL SHAREHOLDERS' FUNDS		<u>1,610,414</u>	<u>1,610,414</u>

The company has not traded and incurred neither profit nor loss in either period. Accordingly no profit and loss account has been presented.

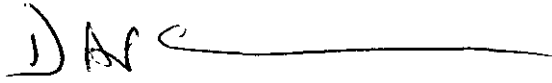
For the year ended 31 July 2003 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for :-

- a) Ensuring the company keeps accounting records which comply with section 221;
- Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

Approved by the Board on 21 November 2003


D A Penn
 DIRECTOR

The notes on pages 4 and 5 form part of these accounts.

FRANCIS SHAW PLC

NOTES TO THE ACCOUNTS

ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Companies Act 1985, and applicable accounting standards.

Cash flow statement

As permitted by FRS1 (revised), the Company has not presented a statement of cash flows as Smiths Group plc, the parent undertaking, included a consolidated statement of cash flows in its 2001 Annual Report.

1. PROFIT AND LOSS ACCOUNT

The company is dormant and consequently neither a profit nor loss has arisen (2002 £nil).

2. DEBTORS

	2003 £	2002 £
Amounts owed by immediate parent undertaking	1,610,414	1,610,414

There is no specified date for repayment and the balance does not bear interest.

3. SHARE CAPITAL

	2003 and 2002			
	Authorised No.	£	Allotted, called up and fully paid No.	£
EQUITY SHARE CAPITAL				
Ordinary 10p shares	7,197,240	719,724	3,301,380	330,138
Deferred 20p Ord shares	4,701,380	940,276	4,701,380	940,276
		<u>1,660,000</u>		<u>1,270,414</u>
NON-EQUITY SHARE CAPITAL				
5¼% £1 Cumulative Preference shares	200,000	200,000	200,000	200,000
37% 10p Second Preference Ordinary shares	1,400,000	140,000	1,400,000	140,000
		<u>340,000</u>		<u>340,000</u>
		<u>2,000,000</u>		<u>1,610,414</u>

FRANCIS SHAW PLC

NOTES TO THE ACCOUNTS (continued)

4. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption provided by Paragraph 3(c) of Financial Reporting Standard 8 ("FRS8") not to disclose transactions with entities that are part of Smiths Group plc.

There are no other related party transactions requiring disclosure in this period's accounts in accordance with FRS8.

5. ULTIMATE HOLDING COMPANY

The immediate parent undertaking is EIS Group plc. The ultimate parent undertaking is Smiths Group plc. Both of these companies are registered in England and Wales. Copies of the accounts of Smiths Group plc can be obtained from the company's registered office at 765 Finchley Road, London NW11 8DS.

The smallest and largest group into which the results of the company are consolidated is headed by Smiths Group plc.