

Registered number 287790

Simon Engineering Limited

Directors' report and financial statements

31 December 2003

P O Box 492
60 Station Road
Redhill
Surrey
RH1 1XR



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Simon Engineering Limited

Directors' report

The Directors present their report and the financial statements of the Company for the year ended 31 December 2003.

1. Principal activities

The Company's activities comprise the owning of the share capital of a subsidiary company.

2. Business review, operating results and dividends

The Company did not trade in the year.

3. Directors

The directors who held office during the year were as follows:

R J Catt

T J Chadwick (appointed 30 September 2003)

T J Redburn (resigned 30 September 2003)

The interests of R J Catt and T J Chadwick in the shares of the Company's ultimate holding company, Simon Group plc, are shown in the Report of the Directors of that company.

The Directors had no interest at any time during the year in the shares of the Company, nor in the shares or debentures of any other subsidiary undertaking of Simon Group plc.

NJ Nolan was appointed company secretary on 30 September 2003.

3. Auditors

The company is dormant, and having passed the appropriate special resolution in annual general meeting is exempt from the obligation to appoint auditors under section 384 of the Companies Act 1985.

By order of the Board



N J Nolan
Company Secretary

29 March 2004

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Simon Engineering Limited

Statement of Directors' responsibilities

The Directors are required by the Companies Act 1985 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 for the financial year.

The Directors consider that in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed. The Directors are required to use a going concern basis in preparing the financial statements unless this is inappropriate.

The Directors have responsibility for ensuring that the Company keeps 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.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Simon Engineering Limited

Balance sheet 31 December 2003

	Note	2003 £ '000	2002 £ '000
Fixed assets			
Investments	2	-	-
Creditors: amounts falling due after more than one year:			
Amounts owed to group undertakings		(51,260)	(51,260)
Net liabilities		<u>(51,260)</u>	<u>(51,260)</u>
Capital and reserves			
Called up share capital	3	-	-
Profit and loss account		<u>(51,260)</u>	<u>(51,260)</u>
Shareholders' funds - equity		<u>(51,260)</u>	<u>(51,260)</u>

The directors:

- (a) confirm that the company was entitled to exemption under subsection (1) of section 249AA of the Companies Act 1985 from the requirement to have its accounts for the financial year ended 31 December 2003 audited.
- (b) confirm that members have not required the company to obtain an audit of its accounts for that financial year in accordance with sub-section (2) of section 249B(2) of that Act.
- (c) acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 29 March 2004 and were signed on its behalf by


R J Catt
Director

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Simon Engineering Limited

Notes to the financial statements Year ended 31 December 2003

1. Accounting policies

(i) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

They have also been prepared on a going concern basis, notwithstanding the fact that the Company had a deficit on shareholders' funds of £(51,260,000) at 31 December 2003. This treatment is on the strength of Simon Group plc's undertaking to provide continued financial support to the Company to enable it to meet its liabilities as they fall due.

(ii) As a wholly-owned subsidiary, the Company is exempt from the requirements to prepare:

- (a) group accounts, and
- (b) a cash flow statement.

2. Fixed asset investment

The Company owns the whole of the issued share capital of the following subsidiary undertaking, which is carried at its cost of £2:

Company	Country of incorporation	Nature of business
Simon UK 1995 Limited	England	Holding company

3. Share capital

	Authorised		Issued and partly paid	
	2003	2002	2003	2002
	£	£	£	£
Ordinary shares of £1 each, 5p paid	<u>5,000</u>	<u>5,000</u>	<u>250</u>	<u>250</u>

4. Ultimate parent company

The ultimate parent company is Simon Group plc, a company incorporated and registered in England and Wales.

This company's results are included in the consolidated financial statements of Simon Group plc, which can be obtained from PO Box 492, Redhill, Surrey, RH1 1XR