

## **DIRECTORS' REPORT AND ACCOUNTS**

### **VECTOR MERCHANTING LIMITED**

(Registered Number 656739)

**31 December 2000**



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## **VECTOR MERCHANTING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000**

The directors present their annual report and the audited accounts for the year ended 31 December 2000.

#### **PRINCIPAL ACTIVITY**

The principal activity is that of a holding company.

#### **RESULTS AND DIVIDENDS**

The profit for the year after taxation amounted to £2,000 (1999: £6,860,000). The directors do not propose the payment of a dividend (1999: £Nil) and accordingly the retained profit for the year of £2,000 (1999: £6,860,000) is transferred to reserves.

#### **DIRECTORS AND THEIR INTERESTS**

The composition of the Board of Directors during the year, and 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 directors are also directors of the ultimate parent undertaking, Vector Industries Limited, and their interests in the share capital of that company are shown in the accounts of Vector Industries Limited.

## **VECTOR MERCHANTING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000 (CONTINUED)**

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Company law requires the directors to prepare accounts 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 accounts 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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the accounts for the year ended 31 December 2000 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 enable them to ensure that the accounts comply with the United Kingdom 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**

In accordance with Section 385 of the Companies Act 1985, the company has passed on elective resolution to dispense with the obligation to appoint auditors annually.

Approved by the Board



SA SMITH  
Director

7 September 2001

Registered Office:

2B Sidings Court  
Doncaster  
DN4 5NU

PricewaterhouseCoopers  
Benson House  
33 Wellington Street  
Leeds LS1 4JP  
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## AUDITORS' REPORT TO THE MEMBERS OF VECTOR MERCHANTING LIMITED

We have audited the accounts on pages 4 to 8.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the accounts, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

### 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants  
and Registered Auditors

7 September 2001

# VECTOR MERCHANTING LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Notes</u>	£'000	1999 £'000
Administrative expenses		<u>(3)</u>	<u>-</u>
<b>OPERATING LOSS</b>		<b>(3)</b>	<b>-</b>
Profit on disposal of subsidiary investments	2	-	350
Income from shares in subsidiary undertakings		<u>-</u>	<u>6,502</u>
<b>(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(3)</b>	<b>6,852</b>
Taxation on (loss)/ profit on ordinary activities		<u>5</u>	<u>8</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	<b>9</b>	<b><u>2</u></b>	<b><u>6,860</u></b>

The company has no recognised gains or losses other than those shown in the profit and loss account.

# VECTOR MERCHANTING LIMITED

## BALANCE SHEET - 31 DECEMBER 2000

	<u>Notes</u>	£'000	1999 <u>£'000</u>
<b>CURRENT ASSETS</b>			
Debtors	5	62,233	62,246
<b>CREDITORS (amounts falling due within one year)</b>	6	<u>-</u>	<u>(15)</u>
<b>NET ASSETS</b>		<u>62,233</u>	<u>62,231</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	6,800	6,800
Profit and loss account	8	<u>55,433</u>	<u>55,431</u>
<b>SHAREHOLDERS' FUNDS</b>	9	<u>62,233</u>	<u>62,231</u>

SA SMITH

Director



Approved by the Board on 7 September 2001

# VECTOR MERCHANTING LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2000

### 1 PRINCIPAL ACCOUNTING POLICIES

#### (1) Accounting convention

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

### 2 PROFIT ON DISPOSAL OF SUBSIDIARY INVESTMENTS

In 1999 the company sold its investment in Parker Merchanting Limited and Stedall (Vehicle Fittings) Limited for a profit of £350,000.

### 3 DIRECTORS' EMOLUMENTS

None of the directors received any emoluments in respect of their services to the company (1999: £Nil). There were no employees other than the directors.

### 4 AUDITORS' REMUNERATION

Auditors' remuneration has been borne by a fellow group company.

### 5 DEBTORS

	<u>2000</u> £'000	<u>1999</u> £'000
Group tax receivable	5	4
Amounts owed by group undertakings	<u>62,228</u>	<u>62,242</u>
	<u>62,233</u>	<u>62,246</u>

### 6 CREDITORS (amounts falling due within one year)

	<u>2000</u> £'000	<u>1999</u> £'000
Other creditors and accruals	<u>-</u>	<u>15</u>

# VECTOR MERCHANTING LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (CONTINUED)

### 7 CALLED UP SHARE CAPITAL

	<u>2000</u> £'000	<u>1999</u> £'000
<u>Authorised</u>		
6,800,000 ordinary shares of £1 each	<u>6,800</u>	<u>6,800</u>
<u>Allotted, called up and fully paid</u>		
6,800,000 ordinary shares of £1 each	<u>6,800</u>	<u>6,800</u>

### 8 PROFIT AND LOSS ACCOUNT

	£'000
At 1 January 2000	55,431
Retained profit for the financial year	<u>2</u>
At 31 December 2000	<u>55,433</u>

### 9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2000</u> £'000	<u>1999</u> £'000
Retained profit for the financial year	2	6,860
Opening shareholders' funds	<u>62,231</u>	<u>55,371</u>
Closing shareholders' funds	<u>62,233</u>	<u>62,231</u>

### 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 accounts of Vector Industries Limited, the ultimate parent undertaking.

## **VECTOR MERCHANTING LIMITED**

### **NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (CONTINUED)**

#### **11 ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS**

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

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

The Secretary  
Vector 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 accounts of Vector Industries Limited in which the company is included are available at the address noted above.

On 17 January 2001 Helix Industries Limited, a company registered in England and Wales, became the ultimate parent undertaking.