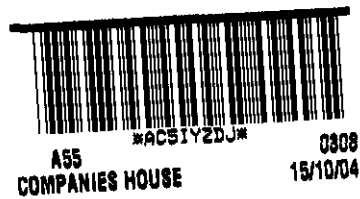


Registered Number 994043

Vector Engineering Products Limited
Directors' report and accounts
for the year ended 31 December 2003



Vector Engineering Products Limited

Directors' report and accounts for the year ended 31 December 2003

Contents

Directors' report for the year ended 31 December 2003	1
Independent auditors' report to the members of Vector Engineering Products Limited	3
Profit and loss account for the year ended 31 December 2003	4
Balance sheet as at 31 December 2003	5
Notes to the financial statements for the year ended 31 December 2003	6

Vector Engineering Products Limited

Directors' report for the year ended 31 December 2003

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2003.

Principal activity

The principal activity is that of a holding company. The company's principal subsidiary undertakings are shown in note 4 to the financial statements.

Results and dividend

The loss for the year after taxation amounted to £1,771,000 (2002: £nil). An interim dividend of £nil (2002: £nil) was paid during the year. The directors do not propose the payment of a final dividend (2002: £nil). Accordingly there was a transfer from reserves of £1,771,000 (2002: £nil).

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 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.

Directors' responsibility statement

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 2003 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 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 2003 (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

10 September 2004

Registered Office:

2B Sidings Court
Doncaster
DN4 5NU

Vector Engineering Products Limited

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 directors' responsibility statement.

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 in to 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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Leeds

10 September 2004

Vector Engineering Products Limited

Profit and loss account for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Operating profit		-	-
Loss on disposal of subsidiary undertakings		(1,771)	-
Loss on ordinary activities before taxation		(1,771)	-
Tax on loss on ordinary activities		-	-
Loss on ordinary activities after taxation		(1,771)	-
Dividends		-	-
Retained loss for the financial year	7,8	(1,771)	-

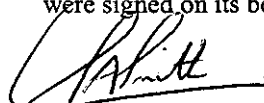
The company has no recognised gains or losses other than those shown in the profit and loss account and therefore no separate statement of recognised gains and losses has been presented.

Vector Engineering Products Limited

Balance sheet as at 31 December 2003

	Note	2003 £'000	2002 £'000
Fixed Assets			
Investments	4	125,463	130,076
Creditors: amounts falling due after one year	5	(99,234)	(102,076)
Net assets		26,229	28,000
Capital and Reserves			
Called up share capital	6	28,000	28,000
Profit and loss account	7	(1,771)	-
Shareholders' funds	8	26,229	28,000

The financial statements on pages 4 to 9 were approved by the board of directors on 10 September 2004 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 2003

1 Accounting policies

Accounting convention

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

2 Directors' emoluments

None of the directors received any emoluments in respect of their services to the company (2002: £nil). There were no employees other than the directors (2002: nil).

3 Auditors' remuneration

Auditors' remuneration has been borne by a group company.

4 Investments

	Gross Investment	Provision	Total
	£'000	£'000	£'000
At 1 January 2003	137,578	(7,502)	130,076
Disposal	(7,250)	2,637	(4,613)
At 31 December 2003	130,328	(4,865)	125,463

Vector Engineering Products Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

4 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	Investment holding
Vector Engineering & Aviation Limited	England and Wales	Investment holding
Vector Engineering Industries Limited	England and Wales	Investment holding

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

John Lee (Sacks) Limited and Pneumatic Components Limited were sold during the year for a combined loss of £1,771,000. These companies were acquired by the subsidiaries of a Limited Liability Partnership which has AO Fischer, I Fisher and AT Fletcher as members.

5 Creditors: amounts falling due after one year

	2003 £'000	2002 £'000
Amounts owed to group undertakings	99,234	102,076

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

Vector Engineering Products Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

6 Called up share capital

	2003 £'000	2002 £'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

7 Reserves

	Profit and loss account £'000
At 1 January 2003	-
Retained loss for the financial year	(1,771)
Deficit at 31 December 2003	(1,771)

8 Reconciliation of movements in shareholders' funds

	2003 £'000	2002 £'000
Loss on ordinary activities after taxation	(1,771)	-
Net reduction in shareholders' funds	(1,771)	-
Opening shareholders' funds	28,000	28,000
Closing shareholders' funds	26,229	28,000

9 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 Helix Industries Limited, the ultimate parent undertaking.

Vector Engineering Products Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

10 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 2003 the net borrowings of the group amounted to approximately £38 million (2002: £52 million).

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

11 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 accounts.

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 accounts are consolidated. Copies of the group accounts 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 accounts of Helix Industries Limited in which the company is included are available at the address noted above.

John Lee (Sacks) Limited and Pneumatic Components Limited were sold during the year for a combined loss of £1,771,000. These companies were acquired by the subsidiaries of a Limited Liability Partnership which has AO Fischer, I Fisher and AT Fletcher as members.