

Registered number: 00994043

VECTOR ENGINEERING PRODUCTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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VECTOR ENGINEERING PRODUCTS LIMITED

COMPANY INFORMATION

Directors

A T Fletcher
A O Fischer
I Fisher
J C Richardson

VECTOR ENGINEERING PRODUCTS LIMITED

Company secretary

J C Richardson

Registered number

00994043

Registered office

8-12 York Place
London
NW1 4QG

Independent auditors

PricewaterhouseCoopers LLP
Central Square
29 Wellington Street
Leeds
FOR THE YEAR ENDED 30 SEPTEMBER 2019
ANNUAL REPORT AND FINANCIAL STATEMENTS



VECTOR ENGINEERING PRODUCTS LIMITED

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VECTOR ENGINEERING PRODUCTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Principal activity

The company's principal activity is that of a holding company for its subsidiary, Vector Building Products Limited. The company is a private company limited by shares and is incorporated and domiciled in England.

Results and dividends

During the current and prior year the company did not trade.

The directors do not recommend the payment of a dividend for the financial year (2018: £nil).

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 Section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

VECTOR ENGINEERING PRODUCTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Directors

The directors who served during the year and up to the date of this report were:

A T Fletcher
A O Fischer
I Fisher
J C Richardson
J Boucher (resigned 18 February 2020)

Future developments

It is expected that the company will continue to operate as a holding company for the foreseeable future.

Qualifying third party indemnity provisions

The directors benefit from a qualifying indemnity provision in the form permitted by the Section 234 of the Companies Act 2006 in respect of certain third party actions against directors. No claim or notice of claim in respect of these indemnities has been received in the year. The qualifying indemnity provision was in force throughout the financial year and up to the date of approval of the Directors' Report.

Going concern

The directors consider that there are no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern. Accordingly the financial statements have been prepared on the going concern basis.

The withdrawal of the United Kingdom from the European Union

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which is scheduled to end on 31 December 2020. During this period, the trading relationship between the UK and the EU is expected to remain unchanged, however the terms of the future relationship between the UK and the EU from 1 January 2021 onwards are still unknown. At the date of this report it is therefore impossible to assess in detail the opportunities and threats that this future relationship could present. The directors are managing these risks by closely monitoring developments, and are confident that the company will be able to amend and modify its procedures to remain fully compliant with any future rules and regulations, and to maintain its standing and reputation in the marketplace throughout Europe and worldwide.

Post balance sheet events

Coronavirus and the COVID-19 pandemic.

The Covid-19 pandemic that has spread across the globe in 2020 is considered to be a non-adjusting post balance sheet event in these financial statements. The impact of the pandemic on the company has been limited, but the directors have also considered the known and potential impact of the resulting economic uncertainty on the group of which the company is part. Following this assessment, the Directors' expectation is that the company will remain solvent for the foreseeable future.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

VECTOR ENGINEERING PRODUCTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



J C Richardson
Director

Date: 22 December 2020

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

Report on the audit of the financial statements

Opinion

In our opinion, Vector Engineering Products Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:


- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
23 December 2020

VECTOR ENGINEERING PRODUCTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Company has not traded during the year or the preceding financial year. During these years, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

VECTOR ENGINEERING PRODUCTS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	6	41,882	41,882
		<u>41,882</u>	<u>41,882</u>
Total assets less current liabilities		41,882	41,882
Creditors: amounts falling due after more than one year	7	(13,204)	(13,204)
Net assets		28,678	28,678
Capital and reserves			
Called up share capital	8	28,000	28,000
Profit and loss account		678	678
Total equity		28,678	28,678

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements on pages 7 to 15 were approved and authorised for issue by the board and were signed on its behalf by:



J C Richardson
Director

Date: 22 December 2020

The notes on pages 10 to 15 form part of these financial statements.

VECTOR ENGINEERING PRODUCTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2018	28,000	678	28,678
Result for the year	-	-	-
Total comprehensive result for the year	-	-	-
At 31 December 2018 and 1 January 2019	28,000	678	28,678
Result for the year	-	-	-
Total comprehensive result for the year	-	-	-
At 31 December 2019	28,000	678	28,678

The notes on pages 10 to 15 form part of these financial statements.

VECTOR ENGINEERING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The company is a private company limited by shares and is incorporated and registered in England. The address of the registered office is: Rubicon Partners, 8-12 York Gate, London, NW1 4QG.

Vector Engineering Products Limited's principal activity in the year under review was that of a holding company.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the company operates, and are currently rounded in (or to the nearest) thousand.

2. Accounting policies

2.1 Basis of preparation of financial statements

The principal accounting policies applied on the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 Section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

2.2 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 Going concern

The directors consider that there are no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern. Accordingly the financial statements have been prepared on the going concern basis.

VECTOR ENGINEERING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

At each balance sheet date investments are assessed to determine whether there is an indication that the investment may be impaired. If there is such an indication the recoverable amount of the asset is compared to the recoverable amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and the asset's value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pretax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reversed, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

2.5 Creditors

Creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.6 Provisions and contingencies

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the accounting policies, the Directors are required to make judgements, estimates and assumptions affecting the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

An estimate or judgement may be considered critical if it involves matters that are highly uncertain or where different estimation methods could reasonably have been used, or if changes in the estimate that would have a material impact on the Company's results are likely to occur from period to period.

The directors consider that the estimate of the value of the company's investments is critical. Please see note 2.4.

VECTOR ENGINEERING PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Auditors' remuneration

Auditors' remuneration was borne by a fellow group undertaking (2018: same).

5. Employees

The Company has no employees other than the directors (2018: nil), who did not receive any remuneration (2018: £nil).

6. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2019	41,882
At 31 December 2019	41,882
Net book value	
At 31 December 2019	41,882
At 31 December 2018	41,882

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered address	Class of shares	Holding	Principal activity
Vector Naco Limited	8-12 York Gate, London, NW1 4QG	Ordinary	100 %	Non-trading company
Vector Building Products Limited	8-12 York Gate, London, NW1 4QG	Ordinary	100 %	Holding company

VECTOR ENGINEERING PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Creditors: Amounts falling due after more than one year

	2019	2018
	£000	£000
Amounts owed to group undertakings	13,204	13,204
	13,204	13,204

Amounts owed to group undertakings are unsecured, interest-free and are due for repayment after more than one year. The directors of these undertakings have confirmed that the loans will not be called for repayment for at least one year from the balance sheet date.

8. Called up share capital

	2019	2018
	£000	£000
Allotted, called up and fully paid		
28,000,000 (2018: 28,000,000) Ordinary shares of £1.00 each	28,000	28,000

The ordinary shares entitle the holder to one voting right and no right to fixed income.

9. Contingent liabilities

The company has entered into an unlimited cross guarantee arrangement in respect of the borrowings of fellow group companies. At 31 December 2019, the net borrowings under these arrangements amounted to £2,323,000 (2018: £1,230,000).

10. Related party transactions

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group.

11. Post balance sheet events

Coronavirus and the COVID-19 pandemic.

The Covid-19 pandemic that has spread across the globe in 2020 is considered to be a non-adjusting post balance sheet event in these financial statements. The impact of the pandemic on the company has been limited, but the directors have also considered the known and potential impact of the resulting economic uncertainty on the group of which the company is part. Following this assessment, the Directors' expectation is that the company will remain solvent for the foreseeable future.

VECTOR ENGINEERING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. Controlling party

The immediate parent undertaking of the company is Vector Industries Limited, a company incorporated and registered in England.

Rubicon Partners Industries LLP, a limited liability partnership registered in England, is the ultimate parent undertaking and controlling party.

The Rubicon Partners Industries LLP 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 Rubicon Partners, 8-12 York Gate, London, NW1 4QG.