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**STRACHAN & HENSHAW (MANCHESTER) LIMITED**  
(Registered No. 2029377)

**DIRECTOR'S REPORT**

and

**FINANCIAL STATEMENTS**

For the

**53 WEEK PERIOD ENDED**

**31 DECEMBER 2004**



## **STRACHAN & HENSHAW (MANCHESTER) LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited accounts of the company for the 53 week period ended 31 December 2004.

### **PARENT COMPANY**

The ultimate parent company is The Weir Group PLC, which is registered in Scotland.

### **ACTIVITIES**

Following a decision by its parent company to withdraw from the nuclear sector, the company decided to discontinue operations and ceased to take any further customer orders after 5th July 2001. All outstanding contract work has been completed since that date and the operations of the company ceased.

### **RESULTS & PROPOSED DIVIDEND**

The directors report that the company has made a Profit on ordinary activities after tax of £0 (2003: Profit £1,000).

The directors do not recommend the payment of a dividend.

### **DIRECTORS**

The names of those who were directors of the company during the year were:-

Messrs     K E Grove  
              M Twist  
              D L Smillie

# **STRACHAN & HENSHAW (MANCHESTER) LIMITED**

## **DIRECTORS' REPORT**

## **DIRECTORS' INTERESTS**


Messrs K E Grove and M Twist were at 31 December 2004 directors of Strachan & Henshaw Ltd and their interest in the ordinary shares of The Weir Group plc are listed in the Report of the Directors of Strachan & Henshaw Ltd.

## **AUDITORS**

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

Ashton House  
PO Box 103  
Ashton Vale Road  
Bristol  
BS99 7TJ

15<sup>th</sup> March 2005



By order of the Board  
K E Grove  
Director

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts for each financial year, which 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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.

## **STRACHAN & HENSHAW (MANCHESTER) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRACHAN & HENSHAW (MANCHESTER) LIMITED**

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit & Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, Accounting Policies and the related notes 1 to 10. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 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 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.

**STRACHAN & HENSHAW (MANCHESTER) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
STRACHAN & HENSHAW (MANCHESTER) LIMITED (Continued)**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Glasgow

15<sup>th</sup> March 2005

**ACCOUNTING POLICIES**

**(a) BASIS OF ACCOUNTING**

*Fundamental accounting concept*

The accounts have been prepared on a break up basis as the company ceased to trade during 2001.

*Historical Cost Basis*

The accounts are prepared under the historical cost convention (modified to include the revaluation of certain land and buildings). The accounts are prepared in accordance with applicable accounting standards and with the Companies Act 1985.

**(b) CONSOLIDATION**

In accordance with S228 of the Companies Act 1985, the company is exempt from the obligation to prepare and deliver group accounts as it is a wholly owned subsidiary of The Weir Group PLC registered in Scotland, which produces group accounts. Accordingly the accounts present information about the company and not the group.

**(c) RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemptions, conferred in FRS 8, from disclosing transactions with related parties that are part of The Weir Group PLC group of companies.

**(d) CASH FLOW STATEMENT**

The company has taken advantage of the exemption, conferred in FRS 1 (revised), from presenting their own Cash Flow Statement.

**STRACHAN & HENSHAW (MANCHESTER) LIMITED**

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**PROFIT & LOSS ACCOUNT FOR THE 53 WEEK PERIOD  
ENDED 31 DECEMBER 2004**

		<b>31 December 2004 £000</b>	<b>26 December 2003 £000</b>
	<b>Note</b>		
Interest and other income	1	-	1
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		-	1
Tax on profit on ordinary activities	2	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		-	1
<b>TRANSFERRED TO RESERVES</b>	8	-	1

**STATEMENT OF TOTAL RECOGNISED GAINS OR LOSSES**

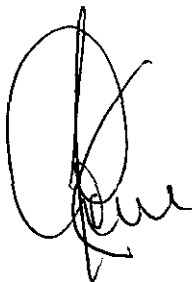
There are no recognised gains or losses other than the profit for the year above



**STRACHAN & HENSHAW (MANCHESTER) LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2004**

	Note	31 December 2004 £000	26 December 2003 £000
Investments	3	-	-
		<u>-</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Debtors	4	1	1
Cash at bank and in hand		<u>-</u>	<u>-</u>
		1	1
<b>CREDITORS : amounts falling due within one year</b>	5	<u>(776)</u>	<u>(776)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(775)</u>	<u>(775)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(775)	(775)
		<u>(775)</u>	<u>(775)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	6	100	100
Capital Redemption Reserve	8	25	25
Profit and loss account	8	<u>(900)</u>	<u>(900)</u>
<b>SHAREHOLDERS' FUNDS</b>	7	<u>(775)</u>	<u>(775)</u>

These accounts were approved by the board of directors on 15<sup>th</sup> March 2005



K E Grove  
Director

# STRACHAN & HENSHAW (MANCHESTER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

	31 December 2004 £000	26 December 2003 £000
<b>1. INTEREST AND OTHER INCOME</b>		
Interest receivable - on bank deposits	-	3
Interest payable - to bank overdraft	-	(2)
	<u>-</u>	<u>1</u>

## 2. TAXATION

	Total 2004 £000	Total 2003 £000
(a) Profit and loss account:		
Current tax:		
UK corporation tax	-	-
UK corporation tax overprovided in previous years	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

### (b) Factors affecting current tax change

The tax assessed on profit on ordinary activities for the year is higher than the standard rate of Corporation Tax in the UK of 30% (2003 – 30%).  
The differences are reconciled below:-

Profit/(Loss) before tax	-	1
Standard Rate	30%	30%
Profit at Standard Rate	-	-
Effects of:		
Disallowed expenses and non-taxable income	-	-
Group relief	-	-
Adjustment in respect of previous periods	-	-
Current tax credit for the period	<u>-</u>	<u>-</u>

**STRACHAN & HENSHAW (MANCHESTER) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****3. FIXED ASSET INVESTMENTS**

	<b>31 December</b>	<b>26 December</b>
	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Shares in Subsidiaries		
Cost	2,516	2,516
Provision against Cost	(2,516)	(2,516)
Net Book Value	-	-

Subsidiary companies of the group during the period were :

Subsidiary	Country of Incorporation	Nature of Business	Proportion of Shares held
Bridgetest Technical Services Limited	England	Dormant	100%
Capstead Systems Limited	England	Dormant	100%
FEL International Limited	England	Engineering – Incorporated on 6 March 1990	100%
S & H Dormant 3	England	Dormant	100%
S & H Dormant 5	England	Dormant	100%
Nuclear & General Engineering Limited	England	Engineering – Incorporated on 9 April 1990	100%
Cunnington & Cooper Limited	England	Engineering – Incorporated on 14 April 1986	100%
S & H Dormant 4	England	Dormant	100%
S & H Dormant 1	England	Dormant	100%
Harmcatch Limited *	England	Dormant	100%
Wingrove & Rogers Limited *	England	Dormant	100%
S & H Dormant 2	England	Dormant	100%

- These companies are wholly owned subsidiary companies of Cunnington & Cooper Limited

**STRACHAN & HENSHAW (MANCHESTER) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****4. DEBTORS**

	31 December 2004 £000	26 December 2003 £000
Amounts owed by group undertakings	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

**5. CREDITORS: amounts falling due within one year**

	31 December 2004 £000	26 December 2003 £000
Bank Overdraft	4	1
Amounts owed to group undertakings	775	775
Corporation Tax	(3)	-
	<u>776</u>	<u>776</u>

**6. SHARE CAPITAL**

	31 December 2004 £000	26 December 2003 £000
Authorised share capital: Ordinary shares of £1 each	<u>150</u>	<u>150</u>
Allotted, called-up and fully paid: Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 December 2004 £000	26 December 2003 £000
Profit for the financial year	-	1
Opening shareholders' funds	(775)	(776)
Closing shareholders' funds	<u>(775)</u>	<u>(775)</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****8. RESERVES**

	<b>Capital Redemption Reserve £000</b>	<b>Profit &amp; Loss Account £000</b>	<b>Total £000</b>
At 26 December 2003	25	(900)	(875)
Retained Profit for year	-	-	-
At 31 December 2004	<u>25</u>	<u>(900)</u>	<u>(875)</u>

**9. CONTINGENT LIABILITIES AND SECURITIES**

The company has given a guarantee in relation to the overdraft and loan facilities extended to The Weir Group PLC and certain subsidiary companies.

The net debt on hand of the other companies party to these facilities at 31 December 2004 amounted to £2,006,000 (2003: Net debt £786,000)

**10. ULTIMATE PARENT COMPANY**

The directors consider that The Weir Group PLC (registered in Scotland) is the company's ultimate parent company. This is the only parent undertaking for which group accounts are drawn up and of which the company is a member. The address from which copies of these accounts are available to the public is: The Weir Group PLC, 149 Newlands Road, Cathcart, Glasgow, G44 4EX.