

ROOF UNITS (GROUP) LIMITED

(REGISTERED NUMBER 2490139)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2004



ROOF UNITS (GROUP) LIMITED

COMPANY INFORMATION

Directors:	RC Ellis GS Hardcastle
Secretary:	NR Burdett
Registered office:	765 Finchley Road London NW11 8DS
Registered number:	2490139
Auditors:	PricewaterhouseCoopers LLP One Embankment Place London WC2N 6RH
Bankers:	Barclays Bank PLC 155 Bishopsgate London EC2M 3XA

ROOF UNITS (GROUP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2004

The directors present their report and the audited financial statements of the company for the year ended 31 July 2004.

PRINCIPAL ACTIVITY

The principal activity of the company is as a holding company. No investments were held during the year.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

During the previous two years, the company had disclosed balance sheet liabilities in excess of available shareholders' funds, and was reliant upon its parent company for ongoing financial support. In accordance with this undertaking, Smiths Group plc has subscribed £2,000,000 in equity capital during the year to improve the company's balance sheet, and intends to provide such further support as may be required for the foreseeable future.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £152,405 (2003 : loss £570,213). No dividend has been recommended (2003 - £nil).

DIRECTORS AND THEIR INTERESTS

The directors of the company throughout the period are set out on page 1.

None of the directors had interests in the shares of the company. The directors' interests in the shares of the ultimate holding company, Smiths Group plc, are noted below:

	<u>Ordinary shares</u>	<u>Ordinary shares under option</u>				
	<u>31 July 2004</u>	<u>1 August 2003</u>	<u>1 Aug 2003</u>	Options Granted	Options Exercised	<u>31 July 2004</u>
R C Ellis	18,428	18,428	95,571	37,141	(990)	131,722
G S Hardcastle	15,291	9,024	90,908	37,494	(2,273)	126,129

The figures for shareholdings at 1 August 2003 have been restated to reflect shares acquired in the prior year which were not disclosed in those accounts.

Options have been granted over a number of ordinary shares of Smiths Group plc in the amounts shown below under the terms of the Smiths Industries 1982 SAYE and executive share option schemes and the deferred share scheme. Details of option exercise prices and dates are contained in the report and accounts of Smith Group plc.

ROOF UNITS (GROUP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2004 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

The directors confirm that these financial statements comply with these requirements.

AUDITORS

PricewaterhouseCoopers LLP will remain as auditors by virtue of an elective resolution under section 386 of the Companies Act 1985 passed on 6 July 1998.

On Behalf of the Board on 31 December 2004



G. S. Hardcastle
Director

ROOF UNITS (GROUP) LIMITED

AUDITORS' REPORT TO THE MEMBERS OF ROOF UNITS (GROUP) LIMITED

We have audited the financial statements on pages 5 to 10, which comprise the profit and loss account, the balance sheet and the relevant notes, which have been prepared under the historical cost convention and accounting policies set out on page 7.

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 statement of directors' responsibilities on page 3.

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.

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

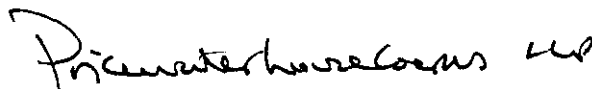
Basis of opinion

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 as at 31 July 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
One Embankment Place
London WC2N 6RH.

31 December 2004

ROOF UNITS (GROUP) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2004

	Note	31 July 2004 £	31 July 2003 £
Interest receivable	3	46,457	40,729
Interest payable	4	(264,178)	(263,947)
		(217,721)	(223,218)
Exceptional item : Loss on disposal of investments	6	-	(413,960)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(217,721)	(637,178)
Tax on loss on ordinary activities	7	65,316	66,965
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(152,405)	(570,213)
RETAINED LOSS FOR THE PERIOD	11	(152,405)	(570,213)

There were no recognised gains or losses during the year other than as reported above.

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The notes on pages 7 to 10 form part of these financial statements.

ROOF UNITS (GROUP) LIMITED

BALANCE SHEET – 31 JULY 2004

	Note	31 July 2004 £	31 July 2003 £
CURRENT ASSETS			
Debtors	8	<u>3,115,294</u>	<u>1,355,699</u>
CREDITORS (amounts falling due within one year)	9	<u>(2,818,538)</u>	<u>(2,906,538)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>296,756</u>	<u>(1,550,839)</u>
NET ASSETS / (LIABILITIES)		<u>296,756</u>	<u>(1,550,839)</u>
CAPITAL AND RESERVES			
Called up equity share capital	10	12,694	12,694
Share premium account	11	2,000,000	-
Merger reserve	11	1,065,667	1,065,667
Profit and loss account	11	<u>(2,781,605)</u>	<u>(2,629,200)</u>
SHAREHOLDERS' FUNDS / (DEFICIT)	12	<u>296,756</u>	<u>(1,550,839)</u>

The notes on pages 7 to 10 form part of these financial statements.

Approved by the Board on 31 December 2004
and signed on its behalf by :



G S Hardcastle
DIRECTOR

ROOF UNITS (GROUP) LIMITED

NOTES TO THE ACCOUNTS – 31 JULY 2004

1 ACCOUNTING POLICIES

(1) Basis of preparation

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

The financial statements present information about the company as an individual undertaking and not about its group because the company is exempt from the obligation to prepare group accounts.

(2) Taxation

All taxation liabilities, both current and future, have been assumed by Smiths Group plc.

(3) Cashflow statement

The Smiths Group plc financial statements for the year ended 31 July 2004 contain a consolidated cashflow statement. The company has taken advantage of the exemption granted by FRS1 (Revised) whereby it is not required to publish its own cashflow statement.

(4) Related party transactions

The company has taken advantage of the exemption not to disclose related party transactions with other members of the group under FRS8 (Related Party Disclosures) as it is a wholly owned subsidiary.

2 OPERATING PROFIT

Auditors' remuneration is borne by Smiths Group plc.

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>31 July 2004</u>	<u>31 July 2003</u>
	£	£
Interest on loans to group companies	46,457	40,729
	<u> </u>	<u> </u>

ROOF UNITS (GROUP) LIMITED

NOTES TO THE ACCOUNTS – 31 JULY 2004 (CONTINUED)

4 INTEREST PAYABLE

	<u>31 July 2004</u>	<u>31 July 2003</u>
	£	£
9.19% loan stock (Note 9)	264,178	263,947
	<u> </u>	<u> </u>

5 EMPLOYEES

The company has no employees other than the directors. The directors did not receive any remuneration for their services to the company during the period.

6 EXCEPTIONAL ITEM :-

	<u>31 July 2004</u>	<u>31 July 2003</u>
	£	£
Loss on disposal of investment in Fans & Spares Limited	-	(413,960)
	<u> </u>	<u> </u>

7 TAXATION

Taxation for the period:

	<u>31 July 2004</u>	<u>31 July 2003</u>
	£	£
Corporation tax at 30% (2003 - 30%)	65,316	66,965
	<u> </u>	<u> </u>

All taxation liabilities, both current and future, have been assumed by Smiths Group plc.

ROOF UNITS (GROUP) LIMITED

NOTES TO THE ACCOUNTS – 31 JULY 2004 (CONTINUED)

8 DEBTORS (amounts due within one year)

	<u>31 July 2004</u>	<u>31 July 2003</u>
	£	£
Amounts due from group undertakings	3,115,294	1,355,699
	<u> </u>	<u> </u>

Amounts due from group undertakings are unsecured and have no fixed date of repayment. Interest was charged during the year at LIBID rates (2003 : LIBID rates).

9 CREDITORS (amounts falling due within one year)

	<u>31 July 2004</u>	<u>31 July 2003</u>
9.19% loan stock	2,792,000	2,880,000
Accruals and deferred income	<u>26,538</u>	<u>26,538</u>
	<u>2,818,538</u>	<u>2,906,538</u>

The 9.19% loan stock was issued as part consideration for the acquisition of 26.4% of the issued share capital of Beamtone Limited, and is redeemable on demand on 30 April each year. The notes, unless previously repaid by the company, will be redeemed at par on 24 May 2010.

10 SHARE CAPITAL

	<u>31 July 2004</u>	<u>31 July 2003</u>
Equity	£	£
Authorised:		
500,000,000, ordinary shares of 10p each	50,000,000	50,000,000
	<u> </u>	<u> </u>
Allotted and fully paid:		
126,942 (2003 : 126,941) ordinary shares of 10p each	12,694	12,694
	<u> </u>	<u> </u>

ROOF UNITS (GROUP) LIMITED

NOTES TO THE ACCOUNTS – 31 JULY 2004 (CONTINUED)

11 RESERVES

	Share premium <u>account</u> £	Merger <u>reserve</u> £	Profit and loss <u>account</u> £
At 1 August 2003	-	1,065,667	(2,629,200)
Premium on issue of 1 10p ordinary share	2,000,000		
Retained loss for the year	<u>-</u>	<u>-</u>	<u>(152,405)</u>
At 31 July 2004	<u>2,000,000</u>	<u>1,065,667</u>	<u>(2,781,605)</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>31 July 2004</u> £	<u>31 July 2003</u> £
Loss for the year	(152,405)	(570,213)
Issue of equity shares	2,000,000	-
Opening shareholders' funds	<u>(1,550,839)</u>	<u>(980,626)</u>
Closing shareholders' funds	<u>296,756</u>	<u>(1,550,839)</u>

13 PARENT UNDERTAKING

For the year ended 31 July 2004, Roof Units (Group) Limited was a wholly owned subsidiary of Smiths Group plc, which was also the ultimate parent company. Both companies are registered in England and Wales.

The consolidated accounts of Smiths Group plc may be obtained from the Company Secretary, Smiths Group plc, 765 Finchley Road, London NW11 8DS.