

ROOF UNITS (GROUP) LIMITED

(REGISTERED NUMBER 2490139)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 5 AUGUST 2006

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ROOF UNITS (GROUP) LIMITED

COMPANY INFORMATION

Directors:	RC Ellis	(Resigned 9 March 2006)
	GS Hardcastle	(Resigned 9 March 2006)
	GM Norris	(Appointed 9 March 2006)
	DA Penn	(Appointed 9 March 2006)

Secretary:	NR Burdett
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Registered office:	765 Finchley Road London NW11 8DS
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Registered number:	2490139
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Auditors:	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
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Bankers:	Barclays Bank PLC 155 Bishopsgate London EC2M 3XA
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ROOF UNITS (GROUP) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 5 AUGUST 2006

The directors present their report and the audited financial statements of the company for the period of 53 weeks ended 5 August 2006.

PRINCIPAL ACTIVITY

The principal activity of the company was as a holding company. No investments are currently held and none are expected to be held in the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

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 subscribed £2,000,000 in equity capital during the year ended 31 July 2004 to improve the company's balance sheet, and intends to provide such further support as may be required for the foreseeable future.

FINANCIAL INSTRUMENTS

The company's financial instruments comprise an inter-company loan on which interest is receivable at rates varying with market conditions, and unsecured loan stock held by private individuals, upon which interest is payable at a fixed rate of 9.19% p.a., and which may be redeemed early at the holders' option, but is otherwise not redeemable by the company until 24 May 2010. The company is therefore at ongoing risk that interest income will not cover its fixed interest outgoings, and, as noted above, will be dependent upon its parent company for financial support. It is not feasible to hedge this exposure.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £80,309 (2005: loss £28,245). No dividend has been recommended (2005: £nil).

DIRECTORS AND THEIR INTERESTS

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

The beneficial interests of the Directors in shares, option schemes and long term share plans of Smiths Group plc at the beginning and end of the period were as follows:

	<u>5 August</u> <u>2006</u>	<u>1 August</u> <u>2005*</u>	<u>1 Aug</u> <u>2005*</u>	<u>Ordinary shares</u>	<u>Ordinary shares under option</u>	<u>5 August</u> <u>2006</u>
				Options Granted	Options Exercised / Lapsed	
G M Norris	48,903	48,903	197,542	-	-	197,542
D A Penn	5,648	5,648	50,328	-	-	50,328

* or later date of appointment

Details of the share option schemes and long term share plans are contained in the annual report and accounts of Smiths Group plc.

ROOF UNITS (GROUP) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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 period. 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 with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 8 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 period ended 5 August 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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.

Auditors and disclosure of information to auditors

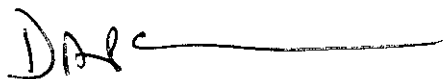
So far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware.

The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

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 22 February 2007



D A Penn
Director

ROOF UNITS (GROUP) LIMITED

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

We have audited the financial statements of Roof Units Group Limited for the period ended 5 August 2006, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 into 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

ROOF UNITS (GROUP) LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 5 August 2006 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

1 Embankment Place

London WC2N 6RH.

28 February 2007

ROOF UNITS (GROUP) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD OF 53 WEEKS ENDED 5 AUGUST 2006

	<u>Note</u>	<u>2006</u> £	<u>2005</u> £
Interest receivable	5	129,072	211,644
Interest payable	6	(243,799)	(251,994)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(114,727)</u>	<u>(40,350)</u>
Tax on loss on ordinary activities	7	34,418	12,105
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(80,309)</u>	<u>(28,245)</u>
RETAINED LOSS FOR THE PERIOD	12	<u>(80,309)</u>	<u>(28,245)</u>

The company has no recognised gains and losses, other than the result set out above, and no separate statement of recognised gains and losses has therefore been presented.

There was no material difference between the loss on ordinary activities before taxation or the loss for the periods as stated above and their historical cost equivalents.

The notes on pages 8 to 10 form part of these financial statements.

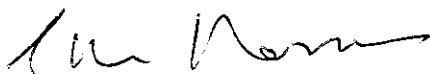
ROOF UNITS (GROUP) LIMITED

BALANCE SHEET AS AT 5 AUGUST 2006

	<u>Note</u>	<u>2006</u> £	<u>2005</u> £
CURRENT ASSETS			
Debtors	8	2,804,580	2,926,853
CREDITORS (amounts falling due within one year)	9	<u>(2,616,378)</u>	<u>(2,658,342)</u>
NET CURRENT ASSETS		<u>188,202</u>	<u>268,511</u>
NET ASSETS		<u>188,202</u>	<u>268,511</u>
CAPITAL AND RESERVES			
Called up equity share capital	10	12,694	12,694
Share premium account	11	2,000,000	2,000,000
Merger reserve	11	1,065,667	1,065,667
Profit and loss account	11	<u>(2,890,159)</u>	<u>(2,809,850)</u>
SHAREHOLDERS' FUNDS	12	<u>188,202</u>	<u>268,511</u>

The notes on pages 8 to 10 form part of these financial statements.

Approved by the Board on 22 February 2007
and signed on its behalf by :



G M Norris
DIRECTOR

ROOF UNITS (GROUP) LIMITED

NOTES TO THE ACCOUNTS – 5 AUGUST 2006

1 ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom under the historical cost convention and the Companies Act 1985.

As permitted by FRS1 (revised), the Company has not presented a statement of cash flows as Smiths Group plc, the parent undertaking, included a consolidated statement of cash flows in its 2006 Annual Report

As the Company is a wholly owned subsidiary of Smiths Group plc, no group accounts have been prepared in accordance with s228 of the Companies Act 1985.

b) Changes in accounting policy

The Company has adopted, FRS 21, 'Events after the balance sheet date', FRS 25, 'Financial instruments: disclosure and presentation', and FRS 28, 'Corresponding amounts' in these financial statements. The adoption of these standards represents a change in accounting policy however there has been no material effect.

2 OPERATING PROFIT

The audit fee in respect of this company has been borne by another Smiths Group company. Auditors' remuneration for non-audit services was £nil for both periods.

3 DIRECTORS' REMUNERATION

None of the directors of the company received any remuneration in respect of their services as directors of the company (2005: none)

4 EMPLOYEES

The company has no active employees (2005: none). Employees of other Smiths Group companies perform all administration of the company's affairs. No charge for these services has been levied upon the company.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2006</u> £	<u>2005</u> £
Interest on loans to group companies	129,072	211,644
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ROOF UNITS (GROUP) LIMITED

6 INTEREST PAYABLE

	<u>2006</u>	<u>2005</u>
	£	£
9.19% loan stock (Note 8)	243,799	251,994

7 TAXATION

Taxation for the period:

	<u>2006</u>	<u>2005</u>
	£	£
Loss on ordinary activities before taxation	(114,727)	(40,350)
Group relief at UK corporation tax rate of 30% (2005 - 30%)	34,418	12,105

8 DEBTORS (amounts due within one year)

	<u>2006</u>	<u>2005</u>
	£	£
Amounts due from group undertakings	2,804,580	2,926,853

Amounts due from group undertakings are unsecured and have no fixed date of repayment. Interest was charged during the year at LIBID rates (2005: LIBID rates).

9 CREDITORS (amounts falling due within one year)

	<u>2006</u>	<u>2005</u>
	£	£
9.19% loan stock	2,589,000	2,634,000
Accruals and deferred income	27,378	24,342
	2,616,378	2,658,342

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 any outstanding balance is redeemable in whole or in part at the option of the stockholders on 30 April each year. The remaining notes will be redeemed at par on 24 May 2010.

10 SHARE CAPITAL

	<u>2006</u>	<u>2005</u>
	£	£
Equity		
Authorised:		
500,000,000, ordinary shares of 10p each	50,000,000	50,000,000
Allotted and fully paid:		
126,942 (2005: 126,942) ordinary shares of 10p each	12,694	12,694

ROOF UNITS (GROUP) LIMITED

11 RESERVES

	Share premium <u>account</u> £	Merger <u>reserve</u> £	Profit and loss <u>account</u> £
At 1 August 2005	2,000,000	1,065,667	(2,809,850)
Retained loss for the period	<u>-</u>	<u>-</u>	<u>(80,309)</u>
At 5 August 2006	<u>2,000,000</u>	<u>1,065,667</u>	<u>(2,890,159)</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2006</u> £	<u>2005</u> £
Loss for the period	(80,309)	(28,245)
Opening shareholders' funds	<u>268,511</u>	<u>296,756</u>
Closing shareholders' funds	<u>188,202</u>	<u>268,511</u>

13 ULTIMATE PARENT UNDERTAKING

For the period ended 5 August 2006, 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.

14 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption provided by Paragraph 3(c) of Financial Reporting Standard 8 not to disclose transactions with entities that are part of Smiths Group plc.

There are no other related party transactions requiring disclosure in this year's accounts in accordance with FRS8.