

QUARTZ LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2001

Registered No: 2642738

CONTENTS

	<u>Page</u>
Company Information	2
Report of the Directors	3-4
Report of the Auditors	5
Balance Sheet	6
Notes to the Financial Statements	7



QUARTZ LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2001

COMPANY INFORMATION

DIRECTORS:

I S Davis
C A Parsons
K Sargeant

SECRETARY:

N R Burdett

REGISTERED OFFICE:

765 Finchley Road
London
NW11 8DS

REGISTERED AUDITORS:

Pricewaterhouse Coopers
1 Embankment Place
LONDON
WC2N 6RH

BANKERS:

Barclays Bank Plc
Broadgate
155 Bishopgate
LONDON EC2Y 3XA

**WORKS AND SALES OFFICE
ADDRESSES:**

Units 1-3 and 6 Brook Road
WIMBORNE
Dorset BH21 2BH

and

25 Cobham Road
Ferndown Industrial Estate
WIMBORNE
Dorset BH21 7PE

QUARTZ LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2001

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 July 2001.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 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 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.

REVIEW OF THE BUSINESS

The company did not trade on its own account during the year ended 31 July ²⁰⁰¹~~2000~~, but acted as an unremunerated agent for Smiths Industries Industrial Group Limited, in whose accounts the results of these activities are reflected.

QUARTZ LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY ²⁰⁰¹~~2000~~

DIRECTORS

I S Davis
C A Parsons
K Sargeant

The disclosable directors' interests in the share capital of Smiths Group plc at the beginning and end of the period were as follows:

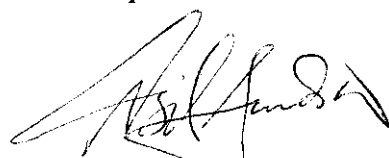
	Ordinary shares of 25p	
	<u>31 July 2001</u>	<u>1 August 2000</u>
I S Davis	900	359
C A Parsons	70	69
K Sargeant	482	437

Options have been granted over the 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.

	<u>1 August 2000</u>	<u>Granted</u>	<u>Exercised</u>	<u>31 July 2001</u>
I S Davis	12,459	4,028	(241)	16,246
C A Parsons	7,785	3,646	-	11,431
K Sargeant	33,925	8,798	(482)	42,241

AUDITORS

PricewaterhouseCoopers offer themselves, and are recommended, for reappointment under the provisions of Section 385 of the Companies Act 1985.



N R Burdett
Secretary
5 October 2001

Independent auditors' report to the members of Quartz Limited

We have audited the financial statements on pages 6 to 7 which have been prepared under the historical cost convention and accounting policies 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.

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 annual 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 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 July 2001 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH
5 October 2001

QUARTZ LIMITED

BALANCE SHEET AT 31 JULY 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Fixed asset investments	2	4	4
CURRENT ASSETS			
Debtors – amount due from parent company	4	195,959	195,959
NET ASSETS		<u>195,963</u>	<u>195,963</u>
CAPITAL AND RESERVES			
Called up share capital	3	120,000	120,000
Profit and loss account		75,963	75,963
Total Shareholders' Funds		<u>195,963</u>	<u>195,963</u>

The company did not trade on its own account during the year ended 31 July 2001, but acted as an unremunerated agent for Smiths Industries Industrial Group Limited, in whose accounts the results of those activities are reflected.

Approved by the board of directors on 5 October 2001



K Sargeant
Director

The Notes on Page 7 form part of these statements.

QUARTZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2001

1. ACCOUNTING POLICIES

Basis of accounting

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

2. FIXED ASSET INVESTMENTS

Fixed asset investments comprise ordinary shares of £1 held in the following wholly owned dormant subsidiaries.

	Country of Registration	No of ordinary shares held
Quartz Ventilation Limited	England and Wales	2
Tradewinds Ventilation Limited	England and Wales	2

3 CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised share capital		
120,000 ordinary shares of £1 each	<u>120,000</u>	<u>120,000</u>
Allotted		
120,000 ordinary shares of £1 each	<u>120,000</u>	<u>120,000</u>

4. ULTIMATE PARENT COMPANY

The Company is a wholly-owned subsidiary of Smiths Group plc, which is registered in England and Wales and is the ultimate parent company. Copies of the accounts of Smiths Group plc may be obtained from; The Company Secretary, Smiths Group plc, 765 Finchley Road, Childs Hill, London NW11 8DS.