

Hawker Siddeley Industries Limited

Report and Accounts

For the year ended 31 March 2004

Company number: 29533



Hawker Siddeley Industries Limited

DIRECTORS

J R W Clayton

D J Thomas

SECRETARY

Invensys Secretaries Limited

AUDITORS

Ernst & Young LLP

1 More London Place

London

SE1 2AF

REGISTERED OFFICE

Invensys House

Carlisle Place

London

SW1P 1BX

Hawker Siddeley Industries Limited

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Hawker Siddeley Industries Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 2004.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

During the year the Company did not trade. The directors do not expect any future activity within the Company, although they will continue to consider opportunities as they arise.

RESULTS

The results for the financial year are summarised below:

	2004 £'000	2003 £'000
Profit on disposal of businesses	-	-
Other income	-	1,312
Profit on ordinary activities before and after interest and taxation	<u>7</u>	<u>1,312</u>

The directors do not recommend the payment of a dividend (2003: £nil).

DISPOSALS

During 2002 the Company disposed of its Crompton Instruments business. On 19 May 2003, the settlement of Crompton Instruments' final balances were made, on which the Company made a profit of £7k.

DIRECTORS

The directors who served during the year were as follows:

J R W Clayton
D J Thomas (appointed 1 April 2003)

DIRECTORS' INTERESTS

None of the directors had any beneficial interest in the shares of the Company. J R W Clayton and D J Thomas are directors of BTR Industries Limited, the immediate parent undertaking and, as such, their beneficial interest in the ordinary shares of Invensys plc are disclosed in the accounts of that company.

Hawker Siddeley Industries Limited

DIRECTORS' REPORT (continued)

AUDITOR

In accordance with section 386 of the Companies Act 1985, a resolution to dispense with the obligation to appoint auditors annually has been passed. Accordingly Ernst & Young LLP shall be deemed to be re-appointed as auditors 28 days after the accounts are sent to the members.

By Order of the Board.



Per pro Invensys Secretaries Limited
Secretary
Invensys House
Carlisle Place
London
SW1P 1BX

Date: 15 November 2004

Hawker Siddeley Industries Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- 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.

Hawker Siddeley Industries Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAWKER SIDDELEY INDUSTRIES LIMITED

We have audited the Company's accounts for the year ended 31 March 2004 which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 13. These accounts 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 auditors' 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 accounts in accordance with applicable United Kingdom law and accounting standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts. 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 accounts 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 accounts.

Hawker Siddeley Industries Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAWKER SIDDELEY INDUSTRIES LIMITED (continued)

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Y — LLP

Ernst & Young LLP
Registered Auditor
London

Date: *23 November* 2004

Hawker Siddeley Industries Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

		Year ended 31 March 2004 £'000	Year ended 31 March 2003 £'000
Amounts written back against intercompany balances		-	1,312
Operating profit		-	1,312
Profit on disposal of business	10	7	-
Profit on ordinary activities before and after interest and taxation	2	7	1,312
Retained profit for the financial year		7	1,312

There are no recognised gains or losses for the financial year other than the profit of £7k (2003: profit of £1,312k).

The notes on pages 12 to 15 form part of these accounts.

Hawker Siddeley Industries Limited

BALANCE SHEET AT 31 MARCH 2004

		31 March 2004 £'000	31 March 2003 £'000
CURRENT ASSETS			
Debtors	6	5,898	7,150
		<hr/>	<hr/>
		5,898	7,150
CREDITORS: amounts falling due within one year	7	(59)	(1,318)
		<hr/>	<hr/>
NET CURRENT ASSETS		5,839	5,832
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,839	5,832
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	8	5,000	5,000
Share premium account	9	279	279
Capital reserve	9	1,364	1,364
Profit and loss account	9	(804)	(811)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		5,839	5,832
		<hr/>	<hr/>

These accounts were approved by the Board on *15 November 2004* and signed on its behalf by:


Director

The notes on pages 12 to 15 form part of these accounts.

Hawker Siddeley Industries Limited

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 MARCH 2004

	2004 £'000	2003 £'000
PROFIT FOR THE FINANCIAL YEAR	7	1,312
Opening shareholders' funds	5,832	4,520
Closing shareholders' funds	5,839	5,832

Hawker Siddeley Industries Limited

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention, and in accordance with all applicable UK accounting standards.

Under Financial Reporting Standard No. 1: "Cash Flow Statements" (revised 1996), the Company is exempt from the requirement to prepare a cash flow statement, on the grounds that it is a wholly owned subsidiary undertaking of Invensys plc, a listed company that prepares a consolidated cash flow statement for the Invensys group.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the period end. Exchange differences arising from the re-translation of foreign currency denominated assets and liabilities together with other exchange differences arising in the year are included in the profit and loss account.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation of fixed assets, or gains on disposal of fixed assets, that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

Remuneration of the auditors for non-audit services supplied to the Company amounted to £nil (2003: £nil). The auditors' remuneration is borne by the Company's ultimate parent undertaking.

Hawker Siddeley Industries Limited

NOTES TO THE ACCOUNTS (continued)

3. DIRECTORS' REMUNERATION

None of the directors received any emoluments from the Company during the year (2003: £nil).

4. EMPLOYEES

No persons were employed by the Company during the year (2003: nil).

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(i) Factors affecting the tax charge

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	7	1,312
Tax charge on ordinary activities at 30.0 %	2	394
Amounts written off intercompany balances	-	(394)
Loss claimed from other group companies	(2)	-
Total current tax	-	-

(ii) Factors that may affect future tax charges

As a UK resident company in the Invensys plc group the Company is eligible to surrender UK group relief to, or claim UK group relief from, other Invensys plc group companies. These claims and/or surrenders may be made with or without charge.

6. DEBTORS: amounts falling due within one year

	2004 £'000	2003 £'000
Amounts owed by parent and fellow subsidiary undertakings	5,898	7,150

7. CREDITORS: amounts falling due within one year

	2004 £'000	2003 £'000
Amounts owed to parent and fellow subsidiary undertakings	59	1,318

Hawker Siddeley Industries Limited

NOTES TO THE ACCOUNTS (continued)

8. CALLED UP SHARE CAPITAL

	Authorised		Allotted, called-up and fully paid	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
5,000,000 ordinary shares of £1 each	5,000	5,000	5,000	5,000

9. RESERVES

	Share premium account £'000	Capital reserve £'000	Profit and loss account £'000
At 1 April 2003	279	1,364	(811)
Profit for the year	-	-	7
At 31 March 2004	279	1,364	(804)

10. DISPOSALS

During 2002 the Company disposed of its Crompton Instruments business. On 19 May 2003, the settlement of Crompton Instruments' final balances were made, on which the Company made a profit of £7k.

11. CONTINGENT LIABILITIES

The Company has cross guarantee arrangements guaranteeing the bank overdrafts of certain other Invensys companies.

In accordance with provisions contained in the Value Added Tax Act 1983, the Company has entered into a joint and several guarantee for Group Registrations.

The Company has contingent liabilities arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

Hawker Siddeley Industries Limited

NOTES TO THE ACCOUNTS (continued)

12. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary undertaking of Invensys plc, a company registered in England and Wales, which prepares published consolidated accounts, the Company has pursuant to paragraph 17 of Financial Reporting Standard No 8: Related Party Disclosures (FRS 8) not included details of transactions with other companies which are subsidiaries of the Invensys Group. There are no other related party transactions.

Disclosure of directors' interests in the shares of the Company and Invensys plc is made in the Directors' Report.

12. IMMEDIATE PARENT UNDERTAKING

The immediate parent undertaking of Hawker Siddeley Industries Limited is BTR Industries Limited, a company registered in England and Wales.

13. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of Hawker Siddeley Industries Limited is Invensys plc, a company registered in England and Wales. The only group preparing consolidated group accounts which include Hawker Siddeley Industries Limited is Invensys plc. Copies of the accounts of Invensys plc, can be obtained from the Group Secretarial Department, Invensys plc, Invensys House, Carlisle Place, London, SW1P 1BX.