

BAJ COATINGS LIMITED

Report and Balance Sheet

31 December 2003



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REPORT AND BALANCE SHEET 2003

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NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the members of BAJ Coatings Limited will be held at Farris House, Cowgrove, Wimborne, Dorset at 5.00 pm on 9 July 2004 to transact the following business:

1. To receive and approve the report of the directors and the balance sheet for the year ended 31 December 2003.
2. To re-elect Mr P E Green a director of the company.
3. To transact the other business of an Annual General Meeting.

By order of the Board



D H Clark
Secretary

Note: A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not also be a member.

OFFICERS AND COMPANY INFORMATION

DIRECTORS

D H Clark
P E Green

SECRETARY

D H Clark

REGISTERED OFFICE

Farrs House
Cowgrove
Wimborne
Dorset
BH21 4EL

DIRECTORS' REPORT

The directors present their annual report and the balance sheet for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The company no longer trades.

REVIEW OF THE BUSINESS

The company did not trade during the year ended 31 December 2003 and made neither profit nor loss.

DIVIDENDS

The directors do not recommend the payment of a dividend (2002: £Nil).

DIRECTORS AND THEIR INTERESTS

The following were directors of the company during the year:

D H Clark

P E Green

Mr P E Green retires by rotation and, being eligible, offers himself for re-election.

The directors held no interest in the shares of the company at 1 January 2003 and 31 December 2003.

Mr P E Green is also a director of Meggitt PLC and his interests in the shares of that company are disclosed in its financial statements.

The interests of the other director in office at the end of the year in the shares of Meggitt PLC was as follows:

Meggitt PLC Ordinary 5 pence shares

	Ordinary share options (i)		Ordinary share options (ii)		Ordinary share options (iii)		Ordinary share options (iv)		Ordinary shares fully paid	
	31.12.03	1.1.03	31.12.03	1.1.03	31.12.03	1.1.03	31.12.03	1.1.03	31.12.03	1.1.03
D H Clark	-	5,166	22,089	20,581	98,492	126,585	9,091	9,091	24,629	28,772

- (i) Options granted under the terms of the Meggitt PLC 1984 Share Option Scheme.
- (ii) Options granted under the terms of the Meggitt 1996 No 1 Executive Share Option Scheme.
- (iii) Options granted under the terms of the Meggitt 1996 No 2 Executive Share Option Scheme.
- (iv) Options granted under the terms of the Meggitt 1998 Sharesave Scheme.

Further details of the Meggitt PLC Share Schemes are given in the accounts of that company.

The market price of the shares at 31 December 2003 was 235.75p and the range during the year was 153.00p to 251.25p.

The directors do not hold any shares beneficially in any other group company.

DIRECTORS' REPORT (Continued)

AUDITORS

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

Approved by the Board of Directors and
signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'D H Clark', written in a cursive style.

D H Clark
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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; and
- 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.

BALANCE SHEET
31 December 2003

	Note	2003 £'000	2002 £'000
Debtors	4	2,219	2,219
NET CURRENT ASSETS		<u>2,219</u>	<u>2,219</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,219</u>	<u>2,219</u>
CAPITAL AND RESERVES			
Called up share capital	5	2,250	2,250
Profit and loss account		(31)	(31)
TOTAL SHAREHOLDERS' FUNDS		<u>2,219</u>	<u>2,219</u>
Shareholders' funds are attributable to:			
Equity shareholders		1,003	1,003
Non-equity shareholders		1,216	1,216
		<u>2,219</u>	<u>2,219</u>

For the year ended 31 December 2003 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221, and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The balance sheet was approved by the Board of Directors on 1 March 2004.

Signed on behalf of the Board of Directors



P E Green
Director

NOTES TO THE BALANCE SHEET**Year ended 31 December 2003****1. ACCOUNTING POLICY**

The balance sheet has been prepared in accordance with applicable accounting standards under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the current or preceding financial year and consequently made neither profit nor loss. There are no recognised gains and losses for the current financial year and preceding financial year. Accordingly no statement of gains and losses has been produced.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company paid no directors' emoluments during the financial year. Both of the directors are employees of Meggitt PLC and are remunerated by that company for their services to the group as a whole. It is not practicable to apportion their remuneration between the individual companies of which they are directors.

The company had no employees during the year.

Both of the directors exercised options in the shares of the ultimate holding company, Meggitt PLC, during the year (2002 – one).

4. DEBTORS

	2003	2002
	£'000	£'000
Amounts owed by group companies	2,219	2,219

5. CALLED UP SHARE CAPITAL

	2003	2002
	£'000	£'000
Authorised		
1,250,005 deferred shares of £1 each	1,250	1,250
1,000,100 ordinary shares of £1 each	1,000	1,000
	<u>2,250</u>	<u>2,250</u>
Called up, allotted and fully paid		
1,250,005 deferred shares of £1 each	1,250	1,250
1,000,100 ordinary shares of £1 each	1,000	1,000
	<u>2,250</u>	<u>2,250</u>

Rights attached to deferred shares

The deferred shares have the following rights:

- no right to receive dividends;
- on liquidation the holders of the deferred shares receive an amount not exceeding the paid up amount after payment to the holders of the ordinary shares of £20,000 per share; and
- no right to vote at any general meeting of the company.

NOTES TO THE BALANCE SHEET
Year ended 31 December 2003

6. CASH FLOW STATEMENT

As a wholly owned subsidiary of a UK registered company, BAJ Coatings Limited has taken advantage of the exemption from the requirement to produce a cash flow statement. A consolidated cash flow statement is included in the Meggitt PLC group accounts.

7. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's ultimate parent company and controlling party is Meggitt PLC, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the group accounts may be obtained from Meggitt PLC, Farris House, Cowgrove, Wimborne, Dorset, BH21 4EL.

The company has taken advantage of the exemption contained in Financial Reporting Standard No 8 from the requirement to disclose related party transactions within the group.