

HEH Investments Limited

Annual report and accounts

for the year ended 31 December 2003

Registered Number 1247237



HEH Investments Limited

Annual report and accounts for the year ended 31 December 2003

	Page
Directors' report for the year ended 31 December 2003	1
Independent auditors' report to the members of HEH Investments Limited	3
Profit and loss account for the year ended 31 December 2003	4
Balance sheet as at 31 December 2003	5
Notes to the financial statements for the year ended 31 December 2003	6

HEH Investments Limited

Directors' report for the year ended 31 December 2003

The Directors present their report and the audited accounts for the year ended 31 December 2003.

Principal activity and results

The principal activity of the Company is to hold investments. The results of the Company are disclosed in the profit and loss account on page 4.

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

Directors and directors' interests

The following Directors served during the year and up to the date of this report:

JD Sword
DJ Roache
MA Youens

In accordance with the Articles of Association, Mr JD Sword, Mr DJ Roache and Mr MA Youens retire by rotation and, being eligible, offer themselves for re-appointment.

None of the Directors had any beneficial interest in the shares of the Company at any time during the year.

The interests of Mr JD Sword and Mr DJ Roache in the shares of the ultimate parent company, Acertec Holdings Limited, of which they are also Directors, are dealt with in the Directors' Report of that company. Mr MA Youens had no interest in the shares of Acertec Holdings Limited.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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 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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 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.


HEH Investments Limited

Directors' report for the year ended 31 December 2003 (continued)

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'M A Youens', with a stylized flourish at the end.

M A Youens
Company Secretary
25 May 2004

Independent auditors' report to the members of HEH Investments Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes.

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.

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 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 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. The other information comprises only the Directors' Report.

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 consider 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 December 2003 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
25 May 2004

HEH Investments Limited

Profit and loss account for the year ended 31 December 2003

	Notes	2003	2002
		£	£
Dividends received		-	1,431,268
Foreign exchange gain/(loss)		43,862	(53,969)
Operating profit		43,862	1,377,299
Loss on disposal of investment	3	-	(16,074)
Profit before interest and taxation		43,862	1,361,225
Bank interest receivable		17,967	84,171
Profit on ordinary activities before taxation		61,829	1,445,396
Tax on profit on ordinary activities	4	(44,020)	(9,061)
Profit for the financial year		17,809	1,436,335
Balance brought forward		6,059,713	4,623,378
Balance carried forward		6,077,522	6,059,713

The profit for the year has been derived from continuing operations.

The profit for the financial year includes all gains and losses arising in the year. 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.

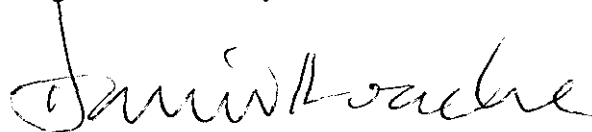
HEH Investments Limited

Balance sheet as at 31 December 2003

	Notes	2003 £	2002 £
Fixed assets			
Investments	5	381,854	381,854
Current assets			
Cash at bank and in hand		-	1,127,014
Debtors: amounts falling due after more than one year			
Amounts due from Group companies		5,697,168	4,552,345
Net current assets		5,697,168	5,679,359
Total assets less current liabilities and net assets		6,079,022	6,061,213
Capital and reserves			
Called-up equity share capital	6	1,500	1,500
Profit and loss account		6,077,522	6,059,713
Equity shareholders' funds	7	6,079,022	6,061,213

Approved by the Board on 25 May 2004.

Signed on its behalf by



D J Roache
Director

The notes on pages 6 to 9 form part of these financial statements.

HEH Investments Limited

Notes to the financial statements for the year ended 31 December 2003

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

At 31 December 2003 the Company was a wholly owned subsidiary of Acertec Holdings Limited, a company incorporated in England, and therefore under Section 228 (2) of the Companies Act 1985, is exempt from producing group accounts.

Cash flow statement

As the consolidated Group accounts of Acertec Holdings Limited include a Group cash flow statement, in accordance with Financial Reporting Standard 1 (revised), no cash flow statement is included in these Accounts.

Investments

Shares in Group companies are stated at cost less impairment provisions.

Foreign currency balances

Transactions denominated in foreign currencies occurring during the course of the year are translated at the rates ruling at the dates of those transactions.

Balances denominated in foreign currencies which are outstanding at the year end are translated at the rates ruling at that date.

Exchange differences arising on translation are taken to the profit and loss account.

2 Staff costs and Directors' remuneration

No staff costs or directors' remuneration were paid during the year (2002 - £Nil).

3 Loss on disposal of investment

The 2002 loss on disposal of £16,074 relates to the sale of the company's 50% shareholding in Irametal – Stadco SA, a joint venture business.

HEH Investments Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

4 Tax on profit on ordinary activities

(a) Analysis of tax charge in the period	2003	2002
	£	£
Current taxation		
United Kingdom corporation tax at 30% (2002 - 30%)	18,549	669,646
Double taxation relief	-	(660,585)
Overseas tax	25,471	-
	44,020	9,061
(b) Factors affecting the current tax charge for the period	2003	2002
	£	£
Profit on ordinary activities before tax	61,829	1,445,396
Profit on ordinary activities before tax at 30% (2002: 30%)	18,549	433,619
Effects of:		
Dividend income covered by double tax relief	-	(429,380)
Expenses not deductible for tax purposes	-	4,822
Overseas tax	25,471	-
Total current tax charge for period	44,020	9,061

HEH Investments Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

5 Investments

	Shares in Group Companies £	Other Investments £	Total £
Cost			
At 1 January 2003 and 31 December 2003	103,568	278,286	381,854

The above investments, all of which are unlisted, comprise the following:

Name	Holding	Country of incorporation	Primary business
Group companies			
Hall Engineering (Far East) Pte Limited	100%	Singapore	Distribution of wire products
Other investments			
BRC Al-Burhan (Private) Ltd	43%	Pakistan	Reinforcement and related products
BRC Weldmesh (Gulf) WLL	33%	Bahrain	Reinforcement and related products

6 Called up equity share capital

	2003 £	2002 £
Authorised, allotted and fully paid:		
1,500 Ordinary shares of £1 each	1,500	1,500

HEH Investments Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

7 Reconciliation of movements in equity shareholders' funds

	2003	2002
	£	£
Profit for the financial year and net addition to equity shareholders' funds	17,809	1,436,335
Opening equity shareholders' funds	6,061,213	4,624,878
Closing equity shareholders' funds	6,079,022	6,061,213

8 Related party transactions

The Company, being a wholly owned subsidiary of Acertec Holdings Limited, has taken advantage of the exemptions within Financial Reporting Standard 8 (Related Party Transactions) and not included details in these Accounts of transactions with other Group companies.

9 Contingent liabilities

There were collective guarantees in the form of fixed and floating charges over the Company's assets given by the Company, the parent company, other fellow subsidiaries and Acertec Investments Limited and its subsidiary company, BRC Limited, in respect of the net indebtedness of all or any such companies to Bank of Scotland, amounting to £14,954,369 at 31 December 2003 (2002: £22,746,405 to JP Morgan and Bank of Scotland).

10 Ultimate parent company

The immediate parent company is Acertec Engineering Limited, a company incorporated in Great Britain. The Ultimate Parent Company is Acertec Holdings Limited, a company incorporated in Great Britain.

A copy of the consolidated accounts of Acertec Holdings Limited, the largest and smallest group in which the results of the company are incorporated, can be obtained from its registered office at Harlescott Lane, Shrewsbury, SY1 3AS.