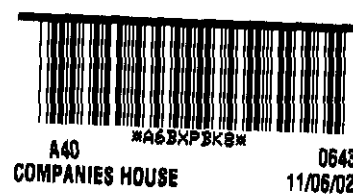


HEH Investments Limited

Annual report and accounts

For the year ended 31 December 2001

Registered Number 1247237



# **HEH Investments Limited**

## **Directors' Report for the year ended 31 December 2001**

The Directors present their Report and the audited Accounts for the year ended 31 December 2001.

### **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.

The directors do not recommend the payment of a dividend (2000: £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**

United Kingdom company law requires the Directors to prepare financial statements for each 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 departures 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 United Kingdom 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 2001 (Continued)

### Auditors

A resolution to re-appoint PricewaterhouseCoopers, 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

10 May 2002

## **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 which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

### **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.

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 United Kingdom Companies Act. 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.

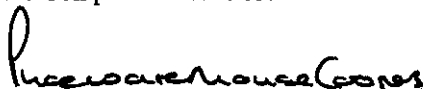
### **Basis of audit opinion**

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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Birmingham  
10 May 2002

# HEH Investments Limited

## Profit and Loss Account for the year ended 31 December 2001

	<i>Notes</i>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
Dividends received		-	685,614
Foreign exchange gain		<b>59,793</b>	199,711
Operating profit		<b>59,793</b>	885,325
Profit on disposal of operations	4	-	809,811
<b>PROFIT BEFORE INTEREST</b>		<b>59,793</b>	1,695,136
Other interest receivable		<b>147,203</b>	187,501
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>206,996</b>	1,882,637
Tax on profit on ordinary activities	3	<b>245,559</b>	(432,162)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>452,555</b>	1,450,475
Balance brought forward		<b>4,170,823</b>	2,720,348
<b>BALANCE CARRIED FORWARD</b>		<b>4,623,378</b>	4,170,823

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 (2000 - includes all gains and losses). 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 (2000 - no material difference).

# HEH Investments Limited

## Balance Sheet - 31 December 2001

	Notes	2001 £	2000 £
<b>FIXED ASSETS</b>			
Investments	4	6,056,672	6,056,672
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		2,296,103	3,187,005
<b>NET CURRENT ASSETS</b>		<u>2,296,103</u>	<u>3,187,005</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>8,352,775</b>	<b>9,243,677</b>
<b>CREDITORS: amounts falling due after more than one year</b>			
Amounts due to Group companies		(3,727,897)	(5,071,354)
		<u>4,624,878</u>	<u>4,172,323</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	6	1,500	1,500
Profit and loss account		4,623,378	4,170,823
<b>EQUITY SHAREHOLDERS' FUNDS</b>	6	<u>4,624,878</u>	<u>4,172,323</u>

Approved by the Board on 10 May 2002

Signed on its behalf by

D J Roache  
DIRECTOR



# **HEH Investments Limited**

## **Notes to the Financial Statements for the year ended 31 December 2001**

### **1 Accounting Policies**

#### **(1) Basis of preparation**

The Accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The requirements of FRS 18 (Accounting Policies) have been implemented during the year. There have been no changes made to the company's accounting policies and therefore there is no financial impact in the year.

At 31 December 2001 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.

#### **(2) 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.

#### **(3) Investments**

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

#### **(4) 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 (2000 - £Nil).

# HEH Investments Limited

## Notes to the Financial Statements for the year ended 31 December 2001 (Continued)

### 3 Tax on Profit on Ordinary Activities

The taxation charge is based on the profit for the year:

	2001 £	2000 £
United Kingdom Corporation tax at 30% (2000 - 30%)	62,099	740,617
Double taxation relief	-	(308,455)
	<u>62,099</u>	<u>432,162</u>
Prior year adjustments	(307,658)	-
	<u>(245,559)</u>	<u>432,162</u>

### 4 Investments

Cost	Shares in Group Companies	Shares in Joint Ventures	Other Investments	Total
At 1 January 2001 and 31 December 2001	103,568	5,674,818	278,286	6,056,672

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

Name	Holding	Country of Incorporation	Primary business
<b>Group companies</b>			
Hall Engineering (Far East) Pte Limited	100%	Singapore	Distribution of wire products
<b>Joint Ventures</b>			
Irametal – Stadco SA (Note 5)	50%	Spain	Manufacture of metal assemblies for the automotive industry
<b>Other investments</b>			
BRC Al-Burhan (Private) Limited	43%	Pakistan	Reinforcement and related products
BRC Weldmesh (Gulf) WLL	33%	Bahrain	Reinforcement and related products

The disposals during the prior year related to the sales of Hall Holdings (Pty) Limited and IRC Steels Limited. The profits on disposal were £765,744 and £44,067 respectively.



## HEH Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2001 (Continued)

#### 5 Post Balance Sheet Events

In February 2002, the 50% shareholding in Irametal – Stadco SA was sold for €9.4m.

#### 6 Called up Equity Share Capital

	2001 £	2000 £
Authorised, allotted and fully paid: 1,500 Ordinary shares of £1 each	1,500	1,500

#### 7 Reconciliation of Movements in Equity Shareholders' Funds

	2001 £	2000 £
Profit for the financial year and net addition to equity shareholders' funds	452,555	1,450,475
Opening equity shareholders' funds	4,172,323	2,721,848
Closing equity shareholders' funds	4,624,878	4,172,323

#### 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 JP Morgan (previously called The Chase Manhattan Bank) and Bank of Scotland, to £31,544,000 (2000: £37,698,000).

#### 10 Ultimate Parent Company

The ultimate parent company is Acertec Holdings Limited, a company incorporated in Great Britain. A copy of the Group Accounts can be obtained from that company's registered office at Harlescott Lane, Shrewsbury, SY1 3AS.