

# USH International Limited

## Report and Accounts

30 September 1997



# USH International Limited

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Registered No: 951831

## **DIRECTORS**

N M Prest

I C Booth

R J G Clarke

A D Wilson (appointed 29 October 1997)

S Preston (appointed 29 October 1997)

S Mitchell (appointed 29 October 1997)

A R Pearson (appointed 29 October 1997)

## **SECRETARY**

A R Pearson (appointed 29 October 1997)

## **AUDITORS**

Ernst & Young

Broadwalk House

Southernhay West

Exeter

## **REGISTERED OFFICE**

215 Vauxhall Bridge Road

London

SW1V 1EN

**DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 30 September 1997.

**ACTIVITIES**

The company is an investment holding company owning the shares of its overseas associate undertaking.

**RESULTS AND DIVIDENDS**

The profit and loss account shows a profit before tax of £732,000 (1996 - £953,000). The directors recommend the payment of a dividend for the year ended 30 September 1997 of £1,318,000 (1996 - £Nil). Retained losses of £752,000 have been charged to reserves (1996 - Profit of £965,000 transferred to reserves).

**DIRECTORS AND THEIR INTERESTS**

The directors who held office during the year were:

Mr N M Prest  
Mr I C Booth  
Mr R J G Clarke

Mr Prest, Mr Booth and Mr Clarke are directors of Avimo Group Limited, and as such, their interests in the shares of the group are set out in the accounts of that company.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT 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;
- 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 to 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.

**AUDITORS**

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



A R Pearson

Secretary

5 December 1997

**REPORT OF THE AUDITORS**  
to the members of USH International Limited

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

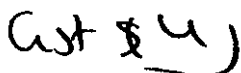
**Basis of opinion**

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 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.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 September 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Exeter

5 December 1997

# USH International Limited

## PROFIT AND LOSS ACCOUNT for the year ended 30 September 1997

	<i>Notes</i>	<i>1997 £'000</i>	<i>1996 £'000</i>
Administrative (expense)/income		(3)	4
<b>OPERATING LOSS/PROFIT</b>		<u>(3)</u>	<u>4</u>
Income from investments		735	950
Interest payable		-	(1)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>732</u>	<u>953</u>
Taxation	2	166	12
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>566</u>	<u>965</u>
Dividends	3	1,318	-
<b>TRANSFER (FROM)/TO RESERVES</b>	9	<u>(752)</u>	<u>965</u>

There are no gains or losses for the period other than those already dealt with in the profit and loss account.

# USH International Limited

## BALANCE SHEET at 30 September 1997

	Notes	1997 £'000	1996 £'000
<b>FIXED ASSETS</b>			
Investments	4	2,836	2,836
<b>CURRENT ASSETS</b>			
Debtors	6	457	1,173
Cash at bank and in hand		-	2
		457	1,175
<b>CREDITORS: amounts falling due within one year</b>			
Other creditors	7	288	3
<b>NET CURRENT ASSETS</b>		169	1,172
Provisions for liabilities and charges	8	126	377
		2,879	3,631
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1,858	1,858
Reserves	10	1,021	1,773
		2,879	3,631

These accounts were approved by the board on 5 December 1997.

A.D. Wilson  
Director  
5 December 1997

*A.D. Wilson*

NOTES TO THE ACCOUNTS

at 30 September 1997

1 ACCOUNTING POLICIES

*Accounting convention*

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

*Investments*

Investments in associated undertakings (associates) are included at cost. As consolidated group accounts are not required, the equity method of accounting or associates has not been used.

*Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings to the extent that they are used to provide a hedge against foreign equity investments, in which case the exchange differences are taken directly to reserves together with the exchange differences on the carrying amount of the related investments.

Non-monetary assets and liabilities denominated in foreign currencies, including non-hedged equity investments and share capital, are recorded at historic rates and are not retranslated.

*Deferred Taxation*

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

*Related Party Transactions*

The company has relied on the exemptions provided by Financial Reporting Standard no.8, and therefore has not disclosed transactions with group companies.

*Cash flow statements*

A consolidated cash flow statement is produced by the group's ultimate parent undertaking, Avimo Group Limited and under FRS1 (Revised), USH International Limited is not required to prepare a cash flow statement.

2 TAXATION

The taxation charge/(credit) based on the results for the year is made up as follows:

	1997 £'000	1996 £'000
UK corporation tax at 32% (1996 - 33%)	265	-
Over-provision re. prior years	-	(196)
Deferred Taxation	(251)	377
Other Taxation	152	(193)
	<u>166</u>	<u>(12)</u>

The tax charge is stated after claiming a credit of £83,000 for double tax relief on overseas investment income received.

# USH International Limited

## NOTES TO THE ACCOUNTS at 30 September 1997

### 3 DIVIDENDS

	<i>1997</i> <i>£'000</i>	<i>1996</i> <i>£'000</i>
Dividends paid	<u>1,318</u>	<u>-</u>

### 4 INVESTMENTS

	<i>1997</i> <i>£'000</i>
Balance at 30 September 1996 and 30 September 1997	<u>2,836</u>

Investments represent the Company's holding in the following associate:

	<i>% Ordinary Share Capital Owned</i>	<i>Country of Incorporation and Operation</i>
Arab International Optronics Company (S.A.E)	49	Egypt

Arab International Optronics Company (S.A.E) has a 31 December year end.

### 5 ASSOCIATE CAPITAL AND RESERVES

At 31 December 1996 the aggregate amount of Arab International Optronics Company (S.A.E) capital and reserves was US\$8,664,000. Profit after tax for the year ended on that date was US\$3,167,451.

### 6 DEBTORS

	<i>1997</i> <i>£'000</i>	<i>1996</i> <i>£'000</i>
Due within one year:		
Amounts owed by fellow subsidiary undertakings	29	30
Other debtors	<u>428</u>	<u>1,143</u>
	<u>457</u>	<u>1,173</u>

Included in other debtors is an amount of £20,000 recoverable after more than one year (1996 - Nil).



# USH International Limited

## NOTES TO THE ACCOUNTS

at 30 September 1997

### 7 OTHER CREDITORS

	1997 £'000	1996 £'000
Amounts due within one year:		
Accruals	3	-
Amounts owned to other group undertakings	-	3
ACT payable	285	-
	<u>288</u>	<u>3</u>

### 8 PROVISIONS FOR LIABILITIES AND CHARGES

	£'000
At 1 October 1996	377
Profit and loss account credit	(251)
At 30 September 1997	<u>126</u>

### 9 SHARE CAPITAL

	1997 £	1996 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
5,778,380 Ordinary shares of 1 Singapore Dollar each	1,858,000	1,858,000
	<u>1,858,100</u>	<u>1,858,100</u>

### 10 SHAREHOLDERS' FUNDS AND RESERVES

	Share Capital £'000	Reserves £'000	Total Shareholders Funds £'000
At 1 October 1996	1,858	1,773	3,631
Retained profit for the year	-	(752)	(752)
At 30 September 1997	<u>1,858</u>	<u>1,021</u>	<u>2,879</u>

### 11 ULTIMATE PARENT COMPANY

The company's ultimate parent company is Avimo Group Limited which is incorporated and registered in Singapore. The largest group for which group accounts are prepared is Avimo Group Limited. Copies of these accounts may be obtained from 34 Bukit Pasoh Road, Singapore 089848.