

**NYCHEM INTERNATIONAL  
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2003



Company no 01182526

**NYCHEM INTERNATIONAL LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 March 2003

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Company registration number: 01182526

Registered office: Grant Thornton  
Melton Street  
Euston Square  
London  
NW1 2EP

Directors: K T Dunn

Secretary: A J McEvoy

Bankers: Bank of Scotland

Solicitors: Levy & McRae

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants

# NYCHEM INTERNATIONAL LIMITED

## FINANCIAL STATEMENTS

For the year ended 31 March 2003

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# NYCHEM INTERNATIONAL LIMITED

## REPORT OF THE DIRECTOR

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The director presents his report together with the financial statements for the year ended 31 March 2003.

### Principal activities

The company is principally engaged in the blending and storage of plastics.

The ultimate parent undertaking of the company is Bandeath Plastics Limited, which is incorporated in England.

### Business review

There was a profit for the year after taxation amounting to £97,687 (2002: loss £559,058). The director does not recommend payment of a dividend.

### Directors

The present membership of the Board is set out below.

The interests of the director in the shares of the company and its parent as at 31 March 2003 and 1 April 2002, were as follows:

		Ordinary shares	
		31 March 2003	1 April 2002
K T Dunn	Bandeath Plastics Limited	7,500	7,500
K T Dunn	Nychem International Limited	-	-

### Fixed assets

The leasehold property was sold in January 2004 for £800,000.

### Directors' responsibilities for the financial statements

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 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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**NYCHEM INTERNATIONAL LIMITED**

**REPORT OF THE DIRECTOR**

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**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

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

A J McEvoy  
Secretary  
5 March 2004

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
NYCHEM INTERNATIONAL LIMITED**

We have audited the financial statements of Nychem International Limited for the year ended 31 March 2003 which comprise the profit and loss account, balance sheet, cashflow statement, principle accounting policies and notes 1 to 22. These financial statements have been prepared under 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 the director and independent auditor**

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with 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.

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 with the company is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of 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 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 considered 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.

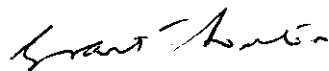
**Going concern**

In forming our opinion, we have considered the adequacy of the disclosures made in the basis of preparation note contained in the accounting policies on page 5 of the financial statements concerning the availability of finance to fund the company's cashflow requirements. In view of the significance of this major uncertainty we consider it should be drawn to your attention but our opinion is not qualified in this respect.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
NYCHEM INTERNATIONAL LIMITED**

**Opinion**

*In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.*



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

**GLASGOW**

*5 March 2005*

# **NYCHEM INTERNATIONAL LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

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

The company incurred losses in each of the two years to 31 March 2000. This resulted from poor trading in the Dutch Branch which was opened in 1997. In view of these losses the company closed the production plant in Holland during December 2000. The company made a profit before exceptional items in the year to 31 March 2001 but incurred further losses in late 2001 and continued to incur losses into 2002 and the latter part of 2003 due to changes at the company's major supplier and customer. The company has found alternative customers and based on projected financial forecasts the director considers that the company will return to profitability during 2004.

However, the losses have put pressure on the company's cash flow. The company is dependant on the support of its bankers and creditors. The bankers have advised that they are no longer prepared to continue with the company's present finance facilities and have withdrawn the facilities. The company has reached a very short term agreement with its major creditors to extend normal credit terms. The company will be unable to continue to trade beyond the very short term if they are unable to arrange new facilities. The director considers that the company can trade profitably in the coming year providing finance facilities are arranged and is seeking alternative finance facilities to enable it to meet its liabilities as they fall due. The director has accordingly prepared the accounts on a going concern basis.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### **TURNOVER**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Leasehold property	2%
Plant and equipment	20%
Motor vehicles	25%
Fixtures, fittings and office equipment	15%
Leasehold improvements	15%



# **NYCHEM INTERNATIONAL LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **STOCKS**

Stocks are stated at the lower of cost and net realisable value.

In the case of raw materials, cost means purchase price including transport and handling costs, less trade discounts, calculated on a first in first out basis. In the case of work in progress and finished goods, cost consists of direct materials, direct labour and attributable production overheads.

Net realisable value means estimated selling price (less trade discounts) less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

### **DEFERRED 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 tax.

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.

### **FOREIGN CURRENCIES**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The financial statements of foreign branches are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in branches are taken directly to reserves. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

### **CONTRIBUTIONS TO PENSION FUNDS**

#### **Defined contribution scheme**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

# NYCHEM INTERNATIONAL LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2003

	Note	2003 £	2002 £
<b>Turnover</b>	1	<b>2,787,531</b>	2,857,978
Cost of sales		<u>(2,025,305)</u>	<u>(2,089,773)</u>
Gross profit		762,226	768,205
Distribution costs		(116,870)	(183,116)
Administrative expenses		<u>(449,499)</u>	<u>(716,601)</u>
<b>Operating profit / (loss)</b>		<b>195,857</b>	(131,512)
Exceptional items	2	-	(355,373)
Interest payable and similar charges	3	<u>(63,572)</u>	<u>(73,292)</u>
<b>Profit on ordinary activities before taxation</b>	1	<b>132,285</b>	(560,177)
Tax on profit on ordinary activities	5	<u>(34,598)</u>	<u>1,119</u>
<b>Profit / (loss) transferred to reserves</b>	12	<u><b>97,687</b></u>	<u>(559,058)</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

# NYCHEM INTERNATIONAL LIMITED

## BALANCE SHEET AT 31 MARCH 2003

	Note	2003 £	2003 £	2002 £	2002 £
<b>Fixed assets</b>					
Tangible assets	6		1,051,399		1,218,817
<b>Current assets</b>					
Stocks	7	33,385		190,776	
Debtors	8	313,628		484,114	
		347,013		674,890	
<b>Creditors: amounts falling due within one year</b>	9	(892,579)		(1,322,588)	
<b>Net current liabilities</b>			(545,566)		(647,698)
<b>Total assets less current liabilities</b>			505,833		571,119
<b>Creditors: amounts falling due after more than one year</b>	10		(159,716)		(322,689)
			346,117		248,430
<b>Capital and reserves</b>					
Called up share capital	11		10,000		10,000
Foreign exchange reserve	12		30,273		30,273
Profit and loss account	12		305,844		208,157
<b>Shareholders' funds</b>	13		346,117		248,430

The financial statements were approved by the Board of Directors on 5 March 2004.

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# NYCHEM INTERNATIONAL LIMITED

## CASH FLOW STATEMENT

For the year ended 31 March 2003

	Note	2003 £	2002 £
Net cash inflow from operating activities	14	365,416	124,077
Returns on investments and servicing of finance			
Interest paid		(49,833)	(58,132)
Finance lease interest paid		(13,739)	(15,596)
Net cash outflow from returns on investments and servicing of finance		(63,572)	(73,728)
Taxation		-	(11,488)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(12,500)	(59,626)
Sale of tangible fixed assets		18,501	47,145
Capital expenditure		6,001	(12,481)
Financing			
Repayment of borrowings		(113,362)	(106,349)
Capital element of finance lease rentals		(80,049)	(42,441)
Net cash outflow from financing		(193,411)	(148,790)
Increase / (decrease) in cash	15	114,434	(122,410)

The accompanying accounting policies and notes form an integral part of these financial statements.

# NYCHEM INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

An analysis of turnover by geographical market is given below:

	2003 £	2002 £
UK	2,215,025	1,689,517
Export	572,506	1,168,461
	<u>2,787,531</u>	<u>2,857,978</u>

The profit on ordinary activities is stated after:

	2003 £	2002 £
Auditors' remuneration:		
Audit services	15,000	13,105
Non-audit services	4,488	-
Depreciation:		
Tangible fixed assets, owned	112,567	551,935
Tangible fixed assets, held under finance leases and hire purchase contracts	56,194	(307,156)
Tangible fixed assets - permanent diminution (note 2)	-	340,000
Hire of plant and machinery	26,053	32,478
Other operating lease rentals	34,874	35,388
Currency exchange gain	(5,670)	(9,665)

### 2 EXCEPTIONAL ITEMS

As detailed in note 6 to the accounts a provision of £340,000 was included in exceptional items in the 2002 financial statements in respect of a permanent diminution in the value of the leasehold property.

During the year the company has made a provision of £nil (2002: £15,373) against a loan made by the company and the associated taxation recoverable as the director considers that the loan is potentially irrecoverable.

### 3 INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
On bank loans and overdrafts	49,833	52,761
Finance charges in respect of finance leases	13,739	16,317
Other interest payable and similar charges	-	4,214
	<u>63,572</u>	<u>73,292</u>

# NYCHEM INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

### 4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2003 £	2002 £
Wages and salaries	580,569	662,873
Social security costs	49,025	57,293
Other pension costs	11,668	28,388
	<u>641,262</u>	<u>748,554</u>

The average number of employees of the company during the year was as follows:

	2003 Number	2002 Number
Production	19	25
Administration & management	8	9
	<u>27</u>	<u>34</u>

Remuneration in respect of directors was as follows:

	2003 £	2002 £
Emoluments	<u>60,000</u>	<u>66,451</u>

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
UK corporation tax at 30% (2002: 20%)	34,598	1,204
Adjustments in respect of prior periods	-	(2,323)
Total current tax charge	<u>34,598</u>	<u>(1,119)</u>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK 19% (2002: 20%). The differences are explained as follows:

	2003 £	2002 £
Profit / (loss) on ordinary activities before tax	<u>132,285</u>	<u>(560,177)</u>

# NYCHEM INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 20%)	39,686	(112,035)
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Effect of:

Expenses not deductible for tax purposes	19,163	36,077
Capital allowances in excess of depreciation	(8,263)	77,008
S419 tax payable on directors loans	-	154
Marginal relief	(15,988)	-
Adjustments in respect of prior periods	-	(2,323)
	<u>34,598</u>	<u>(1,119)</u>

### 6 TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2002	2,231,811	2,629,878	106,509	4,968,198
Additions	-	-	12,500	12,500
	<u>2,231,811</u>	<u>2,629,878</u>	<u>119,009</u>	<u>4,980,698</u>
Disposals	-	-	(60,613)	(60,613)
At 31 March 2003	<u>2,231,811</u>	<u>2,629,878</u>	<u>58,396</u>	<u>4,920,085</u>
Depreciation				
At 1 April 2002	1,354,834	2,322,779	71,768	3,749,381
Provided in the year	44,677	105,926	18,158	168,761
	<u>1,399,511</u>	<u>2,428,705</u>	<u>89,926</u>	<u>3,918,142</u>
Eliminated on disposals	-	-	(49,456)	(49,456)
At 31 March 2003	<u>1,399,511</u>	<u>2,428,705</u>	<u>40,470</u>	<u>3,868,686</u>
Net book amount at 31 March 2003	<u><u>832,300</u></u>	<u><u>201,173</u></u>	<u><u>17,926</u></u>	<u><u>1,051,399</u></u>
Net book amount at 31 March 2002	<u>876,977</u>	<u>307,099</u>	<u>34,741</u>	<u>1,218,817</u>

The leasehold property was sold in January 2004 for a consideration of £800,000. A provision of £340,000 was included in the 2002 financial statements to reflect the permanent diminution in the value of the leasehold property.

# NYCHEM INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Plant and equipment £	Motor vehicles £
Net book amount at 31 March 2003	<u>134,652</u>	<u>-</u>
Net book amount at 31 March 2002	<u>184,034</u>	<u>33,156</u>
Depreciation provided during year	<u>49,382</u>	<u>6,812</u>

### 7 STOCKS

	2003 £	2002 £
Raw materials and consumable stores	13,486	57,550
Short-term work in progress	<u>19,899</u>	<u>133,226</u>
	<u>33,385</u>	<u>190,776</u>

### 8 DEBTORS

	2003 £	2002 £
Trade debtors	307,559	466,797
Other debtors	-	10,758
Prepayments and accrued income	<u>6,069</u>	<u>6,559</u>
	<u>313,628</u>	<u>484,114</u>



# NYCHEM INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

### 9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts	384,617	498,733
Trade creditors	200,609	458,655
Corporation tax	75,714	41,116
Social security and other taxes	143,985	169,240
Accruals and deferred income	46,824	83,258
Amounts due under finance leases	40,830	71,586
	<u>892,579</u>	<u>1,322,588</u>

The bank loans and overdraft are secured by a legal charge and standard security over the company's properties at Reddoch Road, Grangemouth and by a debenture over all of the company's assets. In addition the director K T Dunn has a personal guarantee of £150,000.

The amounts due under finance leases are secured by the underlying assets.

### 10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Bank loans	114,656	228,336
Amounts due under finance leases	45,060	94,353
	<u>159,716</u>	<u>322,689</u>

Borrowings are repayable as follows:

	2003 £	2002 £
Within one year		
Bank and other borrowings	384,617	498,733
Finance leases	40,830	71,586
After one and within two years		
Bank and other borrowings	114,656	136,955
Finance leases	40,830	40,830
After two and within five years		
Bank and other borrowings	-	91,381
Finance leases	4,230	53,523
After five years		
	<u>585,163</u>	<u>893,008</u>

# NYCHEM INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

### 11 SHARE CAPITAL

	2003 £	2002 £
Authorised 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

### 12 RESERVES

	Foreign Exchange Reserve £	Profit and loss account £
At 1 April 2002	30,273	208,157
Retained profit for the year	-	97,687
At 31 March 2003	<u>30,273</u>	<u>305,844</u>

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	<u>97,687</u>	<u>(559,058)</u>
Net increase in shareholders' funds	<u>97,687</u>	<u>(559,058)</u>
Shareholders' funds at 1 April 2002	<u>248,430</u>	<u>807,488</u>
Shareholders' funds at 31 March 2003	<u>346,117</u>	<u>248,430</u>

**NYCHEM INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2003

**14 NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2003 £	2002 £
Operating profit/(loss)	195,857	(131,512)
Depreciation	168,761	244,779
Profit on sale of tangible fixed assets	(7,344)	-
Decrease/(increase) in stocks	157,391	(94,079)
Decrease in debtors	170,486	45,889
(Decrease)/increase in creditors	(319,735)	74,373
Net cash inflow from operating activities	365,416	139,450
Less: movement in debtors due to exceptional provision made against loans receivable	-	(15,373)
Net cash inflow from operating activities	365,416	124,077

**15 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2003 £	2002 £
(Decrease)/increase in cash in the year	114,434	(122,410)
Cash outflow/(inflow) from financing in the year	113,362	106,349
Cash outflow from finance leases in the year	80,049	42,441
Change in net debt resulting from cashflows	307,845	26,380
Movement in net debt in the year	307,845	26,380
Net debt at 1 April 2002	(893,008)	(919,388)
Net debt at 31 March 2003	(585,163)	(893,008)

**16 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 April 2002 £	Cash flow £	At 31 March 2003 £
Overdraft	(361,777)	114,434	(247,343)
Debt	(365,292)	113,362	(251,930)
Finance leases	(165,939)	80,049	(85,890)
	(893,008)	307,845	(585,163)

**17 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 March 2003 or 31 March 2002.

# NYCHEM INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

### 18 LEASING COMMITMENTS

Operating lease payments amounting to £30,098 (2002: £31,965) are due within one year. The leases to which these amounts relate expire as follows:

	2003		2002	
	Land and buildings £	Other £	Land and buildings £	Other £
Between one and five years	19,494	3,784	-	12,715
In five years or more	-	6,820	19,250	-
	<u>19,494</u>	<u>10,604</u>	<u>19,250</u>	<u>12,715</u>

### 19 CONTINGENT LIABILITIES

The company has granted transaction related guarantees in favour of H M Customs & Excise of £20,000 up to a maximum of £40,000.

The company has also granted a performance bond on account for a customer for £800.

### 20 PENSIONS

Defined Contribution Scheme

The company operates a defined contribution money purchase pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The pension cost charge for the year was £11,668 (2002 £28,388).

### 21 TRANSACTIONS WITH DIRECTORS

Amounts due in respect of loans to directors were as follows:

Name of director and connected person	Amount outstanding		Maximum liability during year	Interest due not paid
	2003 £	2002 £		
K T Dunn	<u>100,054</u>	<u>100,054</u>	<u>100,054</u>	<u>-</u>

The company has made a provision against the full amount owed by K T Dunn of £100,054 and a further provision of £25,412 against the associated amount included in debtors for taxation recoverable in respect of this loan.

**NYCHEM INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

• • For the year ended 31 March 2003

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**22 ULTIMATE PARENT UNDERTAKING & CONTROLLING RELATED PARTY**

The directors consider that the ultimate parent undertaking and controlling related party of this company is its parent company Bandeath Plastics Limited. Mr K Dunn owns 100% of Bandeath Plastics Limited and ultimately controls the company.