

**Objex Limited**

**Directors' report and financial  
statements**

**Registered number 1668782**

**For the year ended 31 December 2000**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### Principal activity

The company has not traded during the year.

### Dividends

The directors paid no dividend in this or the preceding period.

### Directors and directors' interests

The directors who held office during the year were as follows:

DN Goode  
MJ Lamb  
RJ Brassington

The directors and their families have no interests in the shares of the company or any other subsidiary of IMI plc.

The interests of the directors serving at the year end (including the interests of their families) in the share capital of IMI plc, the company's ultimate holding company, other than those of Mr MJ Lamb whose interests are disclosed in the financial statements of IMI plc, were:

	Ordinary shares of 25p each		Options granted during the year	Options exercised during the year
	As at 31 December 2000	As at 31 December 1999		
RJ Brassington	1,764	1,406	Nil	Nil
DN Goode	21,482	17,486	6,655	3,631

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



I Davis  
Secretary

Tything Road  
Alcester  
Warwickshire  
B49 6EW

13 February 2001

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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 Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG Audit Plc**

2 Cornwall Street  
Birmingham  
B3 2DL  
United Kingdom

**Auditors' report to the members of Objex Limited**

We have audited the financial statements on pages 4 to 8.

***Respective responsibilities of directors and auditors***

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

***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 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.

***Opinion***

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

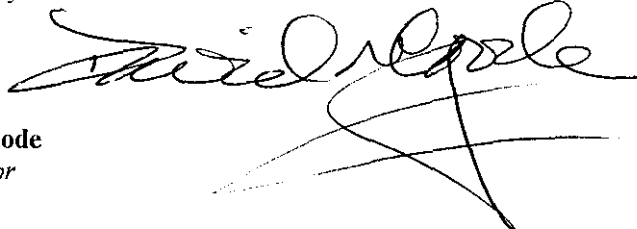
**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

13 February 2001

**Balance sheet**  
*at 31 December 2000*

	<i>Note</i>	<b>2000</b>	<b>1999</b>
		<b>£000</b>	<b>£000</b>
<b>Current assets</b>			
Debtors	4	1,831	1,831
<b>Creditors: amounts falling due within one year</b>	5	<u>(2,165)</u>	<u>(2,165)</u>
<b>Net liabilities</b>		<u>(334)</u>	<u>(334)</u>
<b>Total assets less current liabilities</b>		<u>(334)</u>	<u>(334)</u>
<b>Creditors: amounts falling due after more than one year</b>	6	<u>(142)</u>	<u>(142)</u>
<b>Net liabilities</b>		<u>(476)</u>	<u>(476)</u>
<b>Capital and reserves</b>			
Called up share capital	8	10	10
Profit and loss account	9	<u>(486)</u>	<u>(486)</u>
<b>Equity shareholders' funds</b>		<u>(476)</u>	<u>(476)</u>

These financial statements were approved by the board of directors on 13 February 2001 and were signed on its behalf by:

  
**DN Goode**  
*Director*

**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 December 2000*

	<b>2000</b> <b>£000</b>	1999 £000
Opening shareholders' funds	(476)	(476)
	<hr/>	<hr/>
Closing shareholders' funds	(476)	(476)
	<hr/>	<hr/>

**Notes**  
*(forming part of the financial statements)*

**1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

***Basis of preparation***

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

The financial statements have been prepared on a going concern basis.

***Cash flow***

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of IMI Plc, and its cash flows are included within the consolidated cash flow statement of that company.

***Related party transactions***

Transactions with other IMI plc group companies, being related parties under FRS8, have not been disclosed in these accounts as the company is itself a wholly owned subsidiary of that group.

**2 Profit and loss account**

The company has not traded during the year or the previous year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

**3 Staff numbers and costs**

The company had no employees, except for directors, during the current or preceding year. No emoluments were paid to the directors during the current or preceding year.

**4 Debtors**

	2000 £000	1999 £000
Amounts owed by group undertakings	1,831	1,831
	<u>1,831</u>	<u>1,831</u>

**5 Creditors: amounts falling due within one year**

	2000 £000	1999 £000
Amounts owed to parent undertakings	2,165	2,165
	<u>2,165</u>	<u>2,165</u>



**Notes (continued)**

**6 Creditors: amounts falling due after more than one year**

	2000 £000	1999 £000
Amounts owed to parent undertakings	142	142

The loan non-interest bearing, has notified repayment date and is repayable upon receipt of 12 months notice.

**7 Provision for liabilities and charges**

There is no provided or unprovided liability for deferred taxation (1999: £Nil).

**8 Called up share capital**

	2000 £000	1999 £000
<i>Authorised:</i>		
Equity: Ordinary shares of £1 each	10	10
<i>Allotted, called up and fully paid:</i>		
Equity: Ordinary shares of £1 each	10	10

Details of share options are disclosed in the Directors' report on page 1.

**9 Profit and loss account**

	2000 £000
At the beginning and end of the year	(486)

**10 Pension scheme**

The company operated a defined contribution pension scheme to 5 April 1998 at which date it was closed. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £Nil (1999: £Nil).

Employer's contributions amounting to £Nil were outstanding at 31 December 2000.

From 6 April 1998, eligible employees were able to transfer into the MKR Holdings Limited and Associated and Subsidiary Companies Retirement Benefits Scheme.

The MKR Holdings Limited Retirement Benefits Scheme is open to employees of the group who are eligible under the scheme's membership requirements. The scheme is of the funded defined benefit type.

## Notes (continued)

### 10 Pension scheme (continued)

The assets are held separately from those of the company in a separate trustee administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method.

The latest actuarial valuation took place at 6 April 1998. As a result of this valuation the company is currently on a pension holiday. Accordingly, no contributions have been charged to the profit and loss account in the year in respect of this scheme.

The table below summarises the results of the latest actuarial valuation made in respect of the Retirement Benefits Scheme:

	Retirement Benefit Scheme
Date of last actuarial valuation	6 April 1998
Economic assumptions applied in the valuation:	
Investment return	8.5%
Average rate of earnings increases	6%
Rate of increase in pension costs	0-5%
Results of the valuation:	
Market value of the scheme assets	£12,395,000
Funding level	132%

### 11 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of IMI Plc registered in England and Wales.

A copy of the group financial statements of that company can be obtained from:

The Company Secretary  
PO Box 216  
Witton  
Birmingham  
B6 7BA