

ESPERA SCALES LIMITED
(Registered Number: 1697400)

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2000



PKF

ESPERA SCALES LIMITED
ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2000

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ESPERA SCALES LIMITED
DIRECTORS, OFFICERS AND REGISTERED OFFICE

DIRECTORS

M Korthauer
R Egli

SECRETARY

St John's Square Secretaries Limited

REGISTERED OFFICE

Europe House
Dorking Business Park
Dorking
Surrey RH4 1HJ

AUDITORS

PKF
Pannell House
Park Street
Guildford
Surrey GU1 4HN

BANKERS

Lloyds Bank plc
11 High Street
Horley
Surrey RH6 7BJ

Generale Bank
13/14 Appold Street
London EC2A 2DP

**ESPERA SCALES LIMITED
DIRECTORS' REPORT**

The directors present their annual report on the affairs of the company, together with the accounts and the auditors' report, for the year ended 31 December 2000.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company throughout the year was the sale and maintenance of scales, weighing, labelling and similar machines.

The directors are satisfied with the result for the year, and expect the general level of activity to increase during the coming year.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5.

The company made a profit after taxation of £94,703 (31 December 1999: £65,085). The directors recommend the payment of a dividend of 94.7p per share amounting to £47,352 (31 December 1999: Nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year, together with their interests in the ordinary shares of the company, were:

	Ordinary shares of £1 each	
	<u>2000</u>	<u>1999</u>
M Korthauer (Chairman) (non-beneficiary)	1	1
R Egli (appointed 1 August 2000)	-	-

The directors have no other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

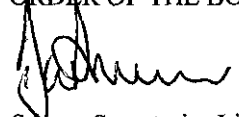
SMALL COMPANY EXEMPTION

This directors' report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

AUDITORS

A resolution for the reappointment of PKF as auditors will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD



St John's Square Secretaries Limited
Secretary

ESPERA SCALES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 year. 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 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' REPORT TO THE SHAREHOLDERS OF
ESPERA SCALES LIMITED**

We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 affairs of the company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Guildford


PKF
Registered Auditors

.....10 April..... 2001

ESPERA SCALES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
Turnover	2	1,518,460	1,684,368
Operating costs		(795,068)	(845,640)
Gross profit		723,392	838,728
Administrative expenses		(594,629)	(721,582)
Operating profit		128,763	117,146
Interest receivable and similar income	3	5,975	845
Interest payable and similar charges	4	(9,735)	(26,684)
Profit on ordinary activities before taxation	5	125,003	91,307
Tax on profit on ordinary activities	7	(30,300)	(26,222)
Profit for the financial year	14	94,703	65,085
Proposed dividend		(47,352)	-
Profit transferred to reserves		47,351	65,085

All of the above results derive from continuing activities and there were no acquisitions in the period.

The company had no recognised gains and losses other than the profit for the financial year.

The accompanying notes form an integral part of this profit and loss account.

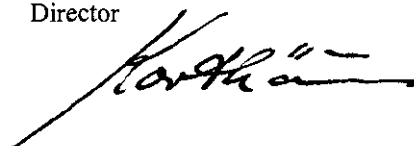
ESPERA SCALES LIMITED
BALANCE SHEET
31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
FIXED ASSETS			
Tangible assets	8	69,545	38,629
CURRENT ASSETS			
Stocks	9	363,054	468,490
Debtors	10	369,430	585,176
Cash at bank		172,794	114
		<u>905,278</u>	<u>1,053,780</u>
CREDITORS			
Amounts falling due within one year	11	(297,325)	(451,984)
NET CURRENT ASSETS		<u>607,953</u>	<u>601,796</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>677,498</u>	<u>640,425</u>
CREDITORS			
Amounts falling due after more than one year	12	(4,041)	(14,319)
		<u>673,457</u>	<u>626,106</u>
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Profit and loss account	14	623,457	576,106
EQUITY SHAREHOLDERS' FUNDS	15	<u>673,457</u>	<u>626,106</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985.

Approved by the board on 20/3/ 2001

M KORTHAUER
Director



ESPERA SCALES LIMITED
CASHFLOW STATEMENT
YEAR ENDED 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
Net cash inflow/(outflow) from operating activities	16	427,747	(65,684)
Returns on investments and servicing of finance	17	(3,761)	(25,839)
Taxation paid		(26,403)	(6,499)
Capital expenditure	17	(59,311)	(35,107)
Financing	18	(24,287)	(11,687)
		<hr/>	<hr/>
Increase/(decrease) in cash in the year	18	313,985	(144,816)
		<hr/> <hr/>	<hr/> <hr/>

Reconciliation of net cash flow to movement in net funds/(debt)

	£	£
Increase in cash in the year	313,985	
Repayment of finance leases	24,287	
	<hr/>	
Change in net debt		338,272
Net debt at 1 January 2000		(181,844)
		<hr/>
Net funds at 31 December 2000		156,428
		<hr/> <hr/>

ESPERA SCALES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES

The principle accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

(a) Basis of accounting

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

(b) Fixed assets and depreciation

Fixed assets are stated at cost. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Plant and machinery	- 3 to 5 years
Fixtures and equipment	- 3 to 5 years
Motor vehicles	- 3 years or lease term if shorter

(c) Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

(d) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Exchange differences have been dealt with in the profit and loss account.

(e) Leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interests elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

(f) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced.

2 TURNOVER

Turnover represents the value of sales (excluding VAT and trade discounts) of goods and services in the ordinary course of business.

ESPERA SCALES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

3	INTEREST RECEIVABLE AND SIMILAR INCOME	<u>2000</u>	<u>1999</u>
		£	£
	Income from bank deposits	5,975	845
		<u> </u>	<u> </u>
4	INTEREST PAYABLE AND SIMILAR CHARGES		
	Bank loans and other borrowings, repayable within five years	5,833	19,314
	Hire purchase interest	3,902	7,370
		<u> </u>	<u> </u>
		9,735	26,684
		<u> </u>	<u> </u>
5	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
	Profit on ordinary activities before taxation is stated after charging/(crediting):		
	Directors' emoluments	30,443	62,677
	Depreciation	31,895	53,142
	Auditors' remuneration:		
	- audit fees	7,250	6,750
	- non-audit fees	685	1,200
	Exchange (gain)/loss	(1,544)	(15,256)
		<u> </u>	<u> </u>

Depreciation includes £24,109 (1999: £47,000) on assets acquired under hire purchase.

6 DIRECTORS AND EMPLOYEES

Number of employees

The average number of persons employed by the company, including directors, during the year was made up as follows:

	<u>2000</u>	<u>1999</u>
	Number	Number
Service engineers	5	6
Administration	3	3
Sales	3	3
	<u> </u>	<u> </u>
	11	12
	<u> </u>	<u> </u>

ESPERA SCALES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

6 DIRECTORS AND EMPLOYEES (continued)

Employment costs	2000	1999
The total staff costs, including directors' emoluments were:	£	£
Wages and salaries	276,165	334,152
Social security costs	31,247	31,014
	<hr/>	<hr/>
	307,412	365,166
	<hr/> <hr/>	<hr/> <hr/>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the result for the year and comprises:

UK corporation tax at 27.5% (1999: 27.3%)	30,300	29,535
Adjustment in respect of prior period	-	(3,313)
	<hr/>	<hr/>
	30,300	26,222
	<hr/> <hr/>	<hr/> <hr/>

8 TANGIBLE FIXED ASSETS

	<u>Leasehold improvements</u> £	<u>Plant and machinery</u> £	<u>Fixtures & equipment</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost					
At 1 January 2000	8,945	11,729	55,814	164,078	240,566
Additions	-	-	30,040	32,771	62,811
Disposals	-	-	(16,165)	(47,630)	(63,795)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2000	8,945	11,729	69,689	149,219	239,582
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 January 2000	8,945	11,729	51,421	129,842	201,937
Provision for the year	-	-	7,699	24,196	31,895
Disposal	-	-	(16,165)	(47,630)	(63,795)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2000	8,945	11,729	42,955	106,408	170,037
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2000	-	-	26,734	42,811	69,545
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 1999	-	-	4,393	34,236	38,629
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The net book value of motor vehicles includes £18,317 (1999: £34,236) of assets acquired under hire purchase agreements.

ESPERA SCALES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

9	STOCKS	<u>2000</u> £	<u>1999</u> £
	Finished goods	363,054	468,490
		<u> </u>	<u> </u>
10	DEBTORS		
	Trade debtors	349,444	554,818
	Other debtors and prepayments	19,986	30,358
		<u> </u>	<u> </u>
		369,430	585,176
		<u> </u>	<u> </u>
11	CREDITORS		
	Amounts falling due within one year:		
	Bank overdraft - unsecured	-	141,305
	Trade creditors	93,554	55,890
	Amount owed to parent undertaking	1,941	66,416
	Corporation tax	32,361	28,467
	Obligations under hire purchase	12,325	26,334
	Other creditors including taxation and social security	83,829	100,356
	Accruals and deferred income	25,963	33,216
	Proposed dividend	47,352	-
		<u> </u>	<u> </u>
		297,325	451,984
		<u> </u>	<u> </u>
12	CREDITORS		
	Amounts falling due after more than one year:		
	Obligations under hire purchase	4,041	14,319
		<u> </u>	<u> </u>
13	CALLED UP SHARE CAPITAL		
	Authorised, allotted and fully paid:		
	50,000 ordinary shares of £1 each	50,000	50,000
		<u> </u>	<u> </u>
14	RESERVES		
	At 1 January 2000	576,106	511,021
	Profit for the financial year	47,351	65,085
		<u> </u>	<u> </u>
	At 31 December 2000	623,457	576,106
		<u> </u>	<u> </u>

ESPERA SCALES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

15	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	<u>2000</u> £	<u>1999</u> £
	Profit for the financial year	94,703	65,085
	Dividend	47,352	-
		<hr/>	<hr/>
	Opening shareholders' funds	47,351 626,106	65,085 561,021
		<hr/>	<hr/>
	Closing shareholders' funds	673,457	626,106
		<hr/> <hr/>	<hr/> <hr/>
16	RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW		
	Operating profit	128,763	117,146
	Depreciation	31,895	53,142
	(Increase)/decrease in stocks	105,436	(53,491)
	(Increase)/decrease in debtors	215,746	(175,436)
	(Decrease) in creditors	(50,593)	(5,420)
	Profit on disposal of fixed assets	(3,500)	(1,625)
		<hr/>	<hr/>
	Net cash inflow/(outflow) from operating activities	427,747	(65,684)
		<hr/> <hr/>	<hr/> <hr/>
17	ANALYSIS OF CASH FLOWS		
	Returns on investment and servicing of finance		
	Interest received	5,975	845
	Interest paid	(5,833)	(19,314)
	Interest element of hire purchase payments	(3,903)	(7,370)
		<hr/>	<hr/>
		(3,761)	(25,839)
		<hr/> <hr/>	<hr/> <hr/>
	Capital expenditure		
	Payments to acquire fixed assets	(62,811)	(37,907)
	Proceeds for sale of tangible fixed assets	3,500	2,800
		<hr/>	<hr/>
		(59,311)	(35,107)
		<hr/> <hr/>	<hr/> <hr/>

ESPERA SCALES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

18 ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2000 £	Cashflow £	31 December 2000 £
Cash at bank and in hand	114	172,680	172,794
Bank overdraft	(141,305)	141,305	-
	<hr/>	<hr/>	<hr/>
	(141,191)	313,985	172,794
Finance leases:			
Due within one year	(26,334)	14,009	(12,325)
Due after one year	(14,319)	10,278	(4,041)
	<hr/>	<hr/>	<hr/>
Total	(181,844)	338,272	156,428
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

19 RELATED PARTY TRANSACTIONS

The directors have taken advantage of the exemption available to subsidiary undertakings where 90 per cent or more of voting rights are controlled within the group from the requirement to disclose transactions with group companies.

20 LEASE COMMITMENTS

The company is committed to make the following annual payments on operating leases on land and buildings, which expire as follows:-

	2000 £	1999 £
Due in more than five years	51,000	51,000
	<hr/> <hr/>	<hr/> <hr/>

21 ULTIMATE PARENT COMPANY

The directors regard Espera Werke GmbH, a company incorporated in Germany as the immediate and controlling undertaking. Copies of the group accounts of Espera Werke GmbH, which incorporate the accounts of the company, are available from Postfach 10 04 55, 47004 Duisberg, Germany.

The ultimate controlling party is the Korthauer family.