

**BEST MATIC INTERNATIONAL LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**  
**(Registration Number: 1918664)**

**31 DECEMBER 1998**



## **BEST MATIC INTERNATIONAL LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the audited accounts of the company for the year ended 31 December 1998.

#### **REVIEW OF THE BUSINESS**

The company has not traded during 1998.

#### **RESULTS AND DIVIDENDS**

The company's loss for the financial year is £1,910 (1997 - £2,564). The directors do not recommend the payment of a dividend.

#### **DIRECTORS**

The directors at the year end, and their interests in the shares of the company at the beginning and end of the year are given below:

		Ordinary shares £1 each of Best Matic International Limited	
		<u>31 December</u> <u>1998</u>	<u>31 December</u> <u>1997</u>
L Nilsson		-	-
I S Hogg	(resigned 6 November 1998)	-	-
J A Quayle	(appointed 21 October 1998)	-	-
P Pover	(appointed 28 October 1998)	-	-

None of the directors had any beneficial interests in any contract or arrangement of significance to which the company was a party during the year.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- 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.

## **BEST MATIC INTERNATIONAL LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FUTURE DEVELOPMENTS**

The company is not expected to trade during the forthcoming year.

#### **YEAR 2000**

The company's systems are part of a group programme to address year 2000 compliance. The relevant costs and project status are disclosed in the financial statements of Ingersoll-Rand Company.

#### **AUDITORS**

PricewaterhouseCoopers have notified their willingness to continue as auditors of the company and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to be 'P Pover', written over a circular stamp or seal.

P Pover  
Secretary  
27 October 1999

## AUDITORS' REPORT TO THE SHAREHOLDERS OF BEST MATIC INTERNATIONAL LIMITED

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual report, including as described on page 1, the accounts. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amount 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 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 31 December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers*

PRICEWATERHOUSECOOPERS  
Chartered Accountants  
and Registered Auditors

27 October 1999

**BEST MATIC INTERNATIONAL LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1998**

	<u>1998</u> £	<u>1997</u> £
<b>TURNOVER</b>	-	-
Cost of sales	<u>-</u>	<u>-</u>
<b>GROSS LOSS</b>		-
Administrative expenses	<u>(1,944)</u>	<u>(2,628)</u>
<b>OPERATING LOSS</b>	(1,944)	(2,628)
Interest receivable (Note 4)	<u>44</u>	<u>84</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 2)</b>	(1,900)	(2,544)
Taxation on loss on ordinary activities (Note 5)	<u>(10)</u>	<u>(20)</u>
<b>LOSS FOR THE FINANCIAL YEAR (Note 10)</b>	<u>(1,910)</u>	<u>(2,564)</u>

All recognised gains and losses are dealt with in the profit and loss account. The loss for the year is the only movement in shareholders' funds.

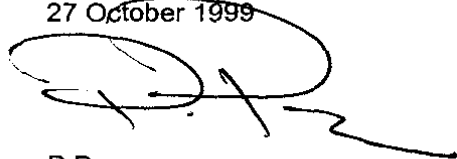
The notes on pages 6 to 8 form an integral part of these accounts.

# **BEST MATIC INTERNATIONAL LIMITED**

## **BALANCE SHEET - 31 DECEMBER 1998**

	<u>1998</u>	<u>1997</u>
	£	£
<b>FIXED ASSETS</b>		
Investments (Note 6)	17,358	17,358
<b>CURRENT ASSETS</b>		
Debtors (Note 7)	23,560	-
Cash at bank and in hand	<u>-</u>	<u>23,660</u>
	23,560	23,660
<b>CREDITORS – Amounts falling due within one year (Note 8)</b>	<u>(10,428)</u>	<u>(8,618)</u>
<b>NET CURRENT ASSETS</b>	<u>13,132</u>	<u>15,042</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	30,490	32,400
	<u>=====</u>	<u>=====</u>
<b>CAPITAL AND RESERVES</b>		
Share capital (Note 9)	30,000	30,000
Profit and loss account (Note 10)	<u>490</u>	<u>2,400</u>
	30,490	32,400
	<u>=====</u>	<u>=====</u>

APPROVED BY THE BOARD ON  
27 October 1999



P Pover  
DIRECTOR

The notes on pages 6 to 8 form an integral part of these accounts.

# **BEST MATIC INTERNATIONAL LIMITED**

## **NOTES TO THE ACCOUNTS - 31 DECEMBER 1998**

### **1 ACCOUNTING POLICIES**

#### **Basis of accounting**

The accounts are prepared in accordance with applicable accounting standards.

#### **Accounting convention and consolidated financial statements**

The accounts are prepared under the historical cost convention.

The Company has not prepared consolidated financial statements as it is exempt from doing so under 228 of the Companies Act 1985, being a wholly owned subsidiary undertaking of AB Best Matic and is included in the accounts of that company. Therefore the financial information is presented for the company as an individual undertaking and not for its group.

#### **Investments**

Investments are valued at cost which the directors have determined to be a prudent basis.

#### **Cash flow statement**

As permitted by FRS 1, the company has not presented a cash flow statement as it falls within the Companies Act 1985 definition as being a small company.

### **2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The loss on ordinary activities before taxation is stated after charging the following:

	<u>1998</u>	<u>1997</u>
	£	£
Auditors' remuneration	1,800	1,800
Non-audit fees paid to auditors in the UK	-	500
	<u>          </u>	<u>          </u>

### **3 EMPLOYEES**

#### **Staff costs:**

Other than the directors, the company had no employees during the year (1997 -Nil) and therefore incurred no staff costs (1997 -Nil).

#### **Directors' remuneration:**

None of the directors received any emoluments from the company during the year (1997 - Nil).

# **BEST MATIC INTERNATIONAL LIMITED**

## **NOTES TO THE ACCOUNTS - 31 DECEMBER 1998 (CONTINUED)**

### **4 INTEREST RECEIVABLE**

	<u>1998</u>	<u>1997</u>
	£	£
Bank interest receivable	44	84
	<u>          </u>	<u>          </u>

### **5 TAXATION ON LOSS ON ORDINARY ACTIVITIES**

	<u>1998</u>	<u>1997</u>
	£	£
UK corporation tax at 31% (1997 - 31%)	10	20
	<u>          </u>	<u>          </u>

### **6 FIXED ASSET INVESTMENTS**

	£	£
Investment in shares in subsidiary undertaking	17,358	17,358
	<u>          </u>	<u>          </u>

In the opinion of the directors the value of investment in the subsidiary undertaking is not less than the amount shown in the balance sheet.

The company owns 100% of the issued ordinary share capital and voting rights of Ingersoll-Rand Wasserstrahl-Schneidetechnik GmbH, a company incorporated in Germany. The subsidiary's principal activity is contract cutting and distribution of spares and system service.

Subsequent to the year end, the investment has been sold at an amount greater than the carrying value.

### **7 DEBTORS**

	<u>1998</u>	<u>1997</u>
	£	£
Amounts owed by Ingersoll-Rand European Sales Limited	23,560	-
	<u>          </u>	<u>          </u>

### **8 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>1998</u>	<u>1997</u>
	£	£
Other creditors and accruals	10,398	8,567
Taxation and social security	<u>30</u>	<u>51</u>
	10,428	8,618
	<u>          </u>	<u>          </u>



## BEST MATIC INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS - 31 DECEMBER 1998 (CONTINUED)

#### 9 CALLED UP SHARE CAPITAL

Authorised, issued and fully paid	<u>1998</u> £	<u>1997</u> £
Ordinary shares of £1 each	30,000	30,000
	<u>          </u>	<u>          </u>

#### 10 PROFIT AND LOSS ACCOUNT

	£
At 1 January 1998	2,400
Loss for the year	<u>(1,910)</u>
At 31 December 1998	<u>490</u>

#### 11 CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 December 1998 (1997 - Nil).

#### 12 ULTIMATE PARENT UNDERTAKING

Ingersoll-Rand Company, which is incorporated in the state of New Jersey, United States of America, is the parent undertaking of the largest group to consolidate the accounts of the company. The directors consider this company to be the ultimate parent undertaking. The parent undertaking of the smallest group to consolidated the accounts of the company is AB Best Matic, a company registered in Sweden. Accounts for these undertakings can be obtained from:

AB Best Matic  
Box 525  
S-37225 Ronneby  
Sweden

Ingersoll-Rand Company  
200 Chestnut Ridge Road  
PO Box 8738  
Woodcliff Lake  
NJ 07675-8738  
USA