

**SENIOR UK LIMITED**  
**(formerly Senior Flexonics (UK) Limited)**

**Report and Financial Statements**

**31 December 2000**

**Deloitte & Touche**  
**Colmore Gate**  
**2 Colmore Row**  
**Birmingham**  
**B3 2BN**



**REPORT AND FINANCIAL STATEMENTS 2000**

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**REPORT AND FINANCIAL STATEMENTS 2000**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J R McAleer  
M Sheppard  
A P Bird  
R D Haworth  
G R Menzies  
M Rollins

**SECRETARY**

J R McAleer

**REGISTERED OFFICE**

Senior UK Limited  
Oakwood Close  
Pen-Y-Fan Industrial Estate  
Crumlin  
NP11 3HY

**BANKERS**

Natwest  
PO Box 8765  
Priory House  
Colmore Circus Queensway  
Birmingham  
B4 6DY

HSBC  
PO Box 125  
27-32 Poultry  
London  
EC2P 2BX

**SOLICITORS**

Slaughter and May  
35 Basinghall Street  
London  
EC2V 5DB

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN

## **DIRECTORS' REPORT**

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

### **ACTIVITIES**

The principal activities of the company are the manufacture of flexible tubing, composites and ducting for the aerospace and automotive industries.

### **CHANGE OF NAME**

On 5<sup>th</sup> October 2000 the company changed its name to Senior UK Limited.

### **REVIEW OF DEVELOPMENTS**

Turnover for the year increased to £41,577,000 (1999 - £29,301,000) and the company made an operating profit of £2,111,000 (1999 - £2,061,000 loss).

### **DIVIDENDS AND TRANSFERS TO RESERVES**

No interim dividend (1999 - £Nil) was paid during the year and no final dividend is proposed (1999 - £Nil).

### **FUTURE PROSPECTS**

The company began 2001 with a strong order book for both aerospace and automotive products and is well placed to strengthen its position by securing new contracts during the remainder of the year.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year were as follows:-

I Harrison (resigned 27/10/00)  
J R McAleer  
M Sheppard  
M W Knight (appointed 14/12/00),(resigned 18/05/01)  
A P Bird (appointed 14/12/00)  
R D Haworth (appointed 14/12/00)  
G R Menzies (appointed 14/12/00)  
M Rollins (appointed 14/12/00)

None of the directors had any beneficial interests in the share capital of the company during the year.

The directors who served during the year, other than those who were also directors of the ultimate parent company, held the following beneficial interests in the 10p ordinary shares of Senior plc as at 31 December 2000.

	Shares	
	1999	2000
J R McAleer	-	15,500
M W Knight	-	16,681
A P Bird	-	80,000
R Haworth	-	25,510

## **DIRECTORS' REPORT**

	<b>Sharesave options</b>				<b>2000</b>
	<b>1999</b>	<b>Granted</b>	<b>Lapsed</b>	<b>Exercised</b>	
A P Bird	-	22,270	-	-	22,270
M Sheppard	-	24,018	-	-	24,018
I Harrison	8,469	-	8,469	-	-
J R McAleer	18,442	22,270	18,442	-	22,270

	<b>1999 Executive Share Option Plan</b>				<b>2000</b>
	<b>1999</b>	<b>Granted</b>	<b>Lapsed</b>	<b>Exercised</b>	
I Harrison	34,135	138,453	172,588	-	-
M W Knight	-	41,469	-	-	41,469
A P Bird	-	114,454	-	-	114,454
R Haworth	-	166,143	-	-	166,143
M Sheppard	48,924	328,173	-	-	377,097
J R McAleer	20,291	51,415	-	-	71,706

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

### **EMPLOYEE CONSULTATION**

Formal and informal meetings are held with employees at the company, and employees are kept informed of developments within the company and Group, and matters affecting them at their place of employment.

### **DISABLED EMPLOYEES**

Applications for employment by disabled persons are always considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of employees becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **SUPPLIER PAYMENT POLICY**

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment available and abide by the terms of payment. The average period for payment of trade creditors during the year was 70 days (1999 - 68 days), based on the ratio of trade creditors at the end of the year to the amounts invoiced during the year by suppliers.

**DIRECTORS' REPORT**

**AUDITORS**

Deloitte & Touche were appointed auditors during the year and have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'J R McAleer', is written over a horizontal line.

J R McAleer  
Secretary

## **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 as at the end of the financial year 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
- state whether applicable accounting standards have been followed
- 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 MEMBERS OF**

### **SENIOR UK LIMITED (formerly Senior Flexonics (UK) Limited)**

We have audited the financial statements on pages 7 to 18 which have been prepared under the accounting policies set out on pages 9 and 10.

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

As described on page 5 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs 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.

Chartered Accountants and Registered Auditors

*J. May 2001*



**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2000**

	Note	£000	2000 £000	1999 £000
<b>TURNOVER</b>				
Continuing operations		41,577		24,810
Discontinued operations		-		4,491
		<hr/>		<hr/>
Total turnover	2		41,577	29,301
Cost of sales			(27,892)	(23,274)
			<hr/>	<hr/>
Gross profit			13,685	6,027
Other operating expenses (net)	4		(10,797)	(5,750)
Exceptional reorganisation and rationalisation charges			(777)	(2,338)
			<hr/>	<hr/>
<b>OPERATING PROFIT / (LOSS)</b>	4			
Continuing operations		2,111		(2,272)
Discontinued operations		-		211
		<hr/>	<hr/>	<hr/>
			2,111	(2,061)
Loss on disposal of discontinued operations			-	(1,906)
Interest payable and similar charges	6		(447)	(506)
			<hr/>	<hr/>
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	7		1,664	(4,473)
Tax on profit / (loss) on ordinary activities	8		(436)	(169)
			<hr/>	<hr/>
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</b>	18		1,228	(4,642)
			<hr/>	<hr/>

All activities derive from continuing operations.

There are no recognised gains and losses other than the profit/(loss) for both the current and prior financial year. Accordingly, no statement of total recognised gains and losses is given.

There is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis. Accordingly, a note of the historical cost profits and losses for the period is not given.

**BALANCE SHEET**  
**31 December 2000**

	Note	2000 £000	1999 £000
<b>FIXED ASSETS</b>			
Intangible assets	9	32,066	-
Tangible assets	10	9,593	10,676
Investments	11	-	33,454
		<u>41,659</u>	<u>44,130</u>
<b>CURRENT ASSETS</b>			
Stocks	12	3,331	3,744
Debtors:			
Amounts falling due within one year	13	8,978	10,069
Amounts falling due after more than one year	13	6,999	6,999
Cash at bank and in hand		2,363	1,290
		<u>21,671</u>	<u>22,102</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(11,071)</u>	<u>(15,201)</u>
<b>NET CURRENT ASSETS</b>		<u>10,600</u>	<u>6,901</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>52,259</u>	<u>51,031</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15	(52,507)	(52,507)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16	(858)	(858)
		<u>(1,106)</u>	<u>(2,334)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	1,000	1,000
Profit and loss account	18	(2,106)	(3,334)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	19	<u>(1,106)</u>	<u>(2,334)</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors



31/5/01

J R McAleer

Director

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention. The company is reliant on the continued financial support of its parent company. The parent company has indicated that such support will be forthcoming and accordingly the financial statements have been prepared on a going concern basis.

**Intangible fixed assets**

Where costs of acquisition exceed the values attributed to net tangible assets, the difference is treated as goodwill, which is capitalised and amortised on a straight line basis over twenty years which the directors consider to be a reasonable maximum economic life. Provision is made for any impairment.

**Tangible fixed assets**

Fixed assets are shown at cost, net of depreciation and provisions for permanent diminution in value.

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:-

Freehold buildings	50 years
Leasehold buildings	Over the period of the lease
Plant, machinery and equipment	over a maximum of 10 years

**Investments**

Fixed asset investments are shown at cost less provision for impairment.

**Stocks**

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

Costs incurred in bringing each product to its present location and condition are based on:

Raw materials	purchase cost on a first in, first out basis, including transport
Work in progress and finished goods	cost of direct materials and labour, plus an appropriate proportion of manufacturing overheads based on normal levels of activity.

Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

**Deferred taxation**

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

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and for tax purposes) has been calculated under the liability method. Deferred tax is provided on timing differences which will probably reverse at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**1. ACCOUNTING POLICIES (continued)**

**Pension costs**

The company's employees are members of defined benefit pension schemes where the company makes contributions at rates set by Senior plc on the advice of actuaries to discharge in full the company's pension obligations arising in the year. It is intended that the rates set will reflect regular cost. Accordingly, the amount charged to the profit and loss account is the contribution payable in the year, and any variations from this cost are reflected in the accounts of Senior plc.

**Foreign currency**

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as of the date of the transaction or, where appropriate, at the rate of exchange in a related forward exchange contract. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end or, where appropriate, at the rate of exchange in a related forward exchange contract. 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.

**Turnover**

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

**Cash flow statement**

Under the provision of FRS 1, the company has not prepared a cash flow statement because the results of the company have been included in the consolidated accounts of Senior plc, whose accounts are publicly available.

**Grant income**

Grant income of a revenue nature is credited to the profit and loss account when the conditions for receipt of the grant have been met.

**2. TURNOVER**

The company's turnover and profit on ordinary activities before taxation were wholly attributable to the company's principal activity.

The detailed analysis of turnover by geographical area has been omitted, as permitted by the Companies Act 1985.

**3. PRIOR YEAR ACQUISITIONS**

On 31 December 1999, the company acquired the share capital of Cork Industries Limited including its trading subsidiaries of Bird Precision Bellows Limited and Baxter, Woodhouse & Taylor Limited for consideration of £33,454,000. The trade and assets of Bird Precision Bellows Limited and Baxter, Woodhouse & Taylor Limited were then transferred to Senior UK Limited on the same day.

In the prior accounts the consideration of £33,454,000 was declared as an investment. Following further review it is considered that this more accurately reflects the goodwill associated with the acquisition of the trade and assets referred to above. Hence this balance has been transferred to goodwill and, subject to any permanent impairment, is being amortised from 1 January 2000 over 20 years.

The fair value of the fixed assets acquired from Baxter, Woodhouse & Taylor Limited has also been reviewed and has been reduced by £300,000 in relation to the valuation of the building.

The revised valuations give rise to purchased goodwill of £33,754,000, as disclosed in note 9, producing an annual amortisation charge of £1,688,000.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**4. ANALYSIS OF CONTINUING AND DISCONTINUED OPERATIONS**

	Continuing operations £000	Discontinued operations £000	2000 Total £000	Continuing operations £000	Discontinued operations £000	1999 Total £000
Turnover	41,577	-	41,577	24,810	4,491	29,301
Cost of sales	(27,892)	-	(27,892)	20,817	3,705	24,522
Gross profit	13,685	-	13,685	5,241	786	6,027
Administration expenses excluding amortisation on goodwill	(4,719)	-	(4,719)	(1,901)	(321)	(2,222)
Amortisation of goodwill	(1,688)	-	(1,688)	-	-	-
Total administration expenses	(6,407)	-	(6,407)	(1,901)	(321)	(2,222)
Distribution	(4,564)	-	(4,564)	(3,448)	(254)	(3,702)
Other operating income	174	-	174	174	-	174
	(10,797)	-	(10,797)	(5,175)	(575)	(5,750)
Exceptional reorganisation and rationalisation charges	(777)	-	(777)	(2,338)	-	(2,338)
Net operating expenses	(11,574)	-	(11,574)	(7,513)	(575)	(8,088)
Operating profit / (loss)	2,111	-	2,111	(2,272)	211	(2,061)

**5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2000 £000	1999 £000
<b>Directors' remuneration</b>		
Emoluments	195	153

The above amounts do not include any gains made on the exercise of share options or the value of any shares or share options received under long-term incentive schemes. None of the directors exercised share options in either year.

	2000 No	1999 No
The number of directors who were contributing members of pension schemes was as follows:-		
Money purchase schemes	1	1
Defined benefit schemes	2	1

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)**

	<b>2000</b>	<b>1999</b>
	<b>No</b>	<b>No</b>
<b>Average number of persons employed</b>		
Production	564	287
Distribution	8	7
Sales	69	40
Administration	50	21
	<u>691</u>	<u>355</u>
	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	11,510	6,347
Social security costs	854	469
Pension costs	628	392
	<u>12,992</u>	<u>7,208</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
On loans from group undertakings	<u>447</u>	<u>506</u>

**7. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
Profit / (Loss) on ordinary activities before taxation is stated after charging:		
Depreciation and amounts written off tangible fixed assets	1,939	1,656
Amortisation of goodwill	1,688	-
Hire of plant and machinery:		
Under operating leases	169	134
Other	7	5
Other operating lease rentals	103	435
Exceptional reorganisation and rationalisation charges	777	2,338
Loss on disposal of discontinued operations	-	1,906
Auditors' remuneration		
Audit services	31	18
Other services	18	10

The loss on disposal of discontinued operations relates to the sale of the Tube components division in May 1999. This loss is not tax deductible and does not affect the tax charge for the year.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**8. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
United Kingdom corporation tax at 30% based on the profit for the year	436	-
Adjustments to prior years' tax provisions		
Corporation tax	-	169
	<u>436</u>	<u>169</u>

The taxation in the profit and loss account is increased by the effect of non-deductable goodwill amortisation and unrecognised deferred tax, but reduced by tax losses brought forward.

**9. INTANGIBLE FIXED ASSETS**

	<b>Goodwill</b>
	<b>£000</b>
On acquisition (see note 3)	33,754
Amortisation	(1,688)
	<u>32,066</u>
As at 31 December 2000	<u>32,066</u>

**10. TANGIBLE FIXED ASSETS**

	<b>Freehold property</b>	<b>Plant, machinery and equipment</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>			
At 1 January 2000	3,956	14,658	18,614
Additions	8	1,466	1,474
Disposals	(8)	(2,045)	(2,053)
Adjustment to fair values (see note 3)	(300)	-	(300)
	<u>3,656</u>	<u>14,079</u>	<u>17,735</u>
At 31 December 2000	<u>3,656</u>	<u>14,079</u>	<u>17,735</u>
<b>Accumulated depreciation</b>			
At 1 January 2000	614	7,324	7,938
Charge for the year	75	1,864	1,939
Disposals	-	(1,735)	(1,735)
	<u>689</u>	<u>7,453</u>	<u>8,142</u>
At 31 December 2000	<u>689</u>	<u>7,453</u>	<u>8,142</u>
<b>Net book value</b>			
At 31 December 2000	<u>2,967</u>	<u>6,626</u>	<u>9,593</u>
At 31 December 1999	<u>3,342</u>	<u>7,334</u>	<u>10,676</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**11. FIXED ASSET INVESTMENTS**

	<b>£000</b>
<b>Cost</b>	
As at 1 January 2000	33,454
Transferred (see note 3)	(33,454)
	<hr/>
As at 31 December 2000	<hr/> <hr/> -

**Subsidiary undertakings**

The company has investments in the following significant subsidiary undertakings:

		<b>Ordinary shares holding %</b>
	<b>Nature of business</b>	
Cork Industries Limited	Holding company	100
Bird Precision Bellows Limited	Dormant	100
Baxter, Woodhouse and Taylor Limited	Dormant	100

The shares in Cork Industries Limited are held directly by the company. Cork Industries Limited owns the shares in Bird Precision Bellows Limited and Baxter, Woodhouse and Taylor Limited.

**12. STOCKS**

	<b>2000 £000</b>	<b>1999 £000</b>
Raw materials and consumables	1,350	2,203
Work-in-progress	832	741
Finished goods and goods for resale	1,149	800
	<hr/>	<hr/>
	3,331	3,744
	<hr/> <hr/>	<hr/> <hr/>

There is no material difference between the balance sheet value of stocks and their replacement cost.



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**13. DEBTORS**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	8,067	8,696
Amounts owed by group undertakings	319	555
VAT	188	274
Prepayments and accrued income	404	544
	<u>8,978</u>	<u>10,069</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	<u>6,999</u>	<u>6,999</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
Bank overdraft	2,702	5,159
Trade creditors	5,011	6,035
Amounts owed to group undertakings	682	1,170
UK corporation tax	436	536
Other taxation and social security	345	271
Other creditors	79	7
Accruals and deferred income	1,816	2,023
	<u>11,071</u>	<u>15,201</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
Amount owed to group undertaking	<u>52,507</u>	<u>52,507</u>

The amount owed to group undertaking is an interest free unsecured loan from the ultimate parent company who have indicated that payment within a year is not required.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**16. PROVISIONS FOR LIABILITIES AND CHARGES**

	2000 £000	1999 £000
<b>Deferred taxation</b>		
Balance at 1 January 2000	858	741
Acquisition of business	-	117
Balance at 31 December 2000	<u>858</u>	<u>858</u>

The amounts provided in the accounts and the amounts not provided are as follows:

	<b>Provided</b>		<b>Not provided</b>	
	2000 £000	1999 £000	2000 £000	1999 £000
Accelerated capital allowances	<u>858</u>	<u>858</u>	<u>112</u>	<u>544</u>

**17. CALLED UP SHARE CAPITAL**

	2000 £000	1999 £000
Authorised, allotted, called up and fully paid		
800,000 'A' Ordinary shares of £1 each	800	800
200,000 'B' Ordinary shares of £1 each	200	200
	<u>1,000</u>	<u>1,000</u>

Under the company's Articles of Association, each 'A' ordinary share carries one vote, whilst each 'B' ordinary share carries five votes. The 'A' and 'B' shares rank equally in all other respects.

**18. PROFIT AND LOSS ACCOUNT**

	£000
At 1 January 2000	(3,334)
Profit for the financial year	<u>1,228</u>
At 31 December 2000	<u>(2,106)</u>

**19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2000 £000	1999 £000
Profit / (Loss) for the financial year	1,228	(4,642)
Opening shareholders' funds	<u>(2,334)</u>	<u>2,308</u>
Closing shareholders' funds	<u>(1,106)</u>	<u>(2,334)</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**20. FINANCIAL COMMITMENTS**

	2000 £000	1999 £000
<b>Capital commitments</b>		
Contracted for but not provided	238	340

**Operating lease commitments**

At 31 December 2000, the company was committed to making the following payments during the next year in respect of operating leases:

	2000 Property £000	2000 Plant and equipment £000	1999 Property £000	1999 Plant and equipment £000
Leases which expire:				
Within one year	-	26	81	51
Within 2 to 5 years	-	103	-	104
After 5 years	22	-	22	-
	<u>22</u>	<u>129</u>	<u>103</u>	<u>155</u>

The company leases certain land and buildings under operating leases. The rents payable under these leases are subject to renegotiation at various intervals specified in the leases. The company pays all insurance, maintenance and repairs of these properties

**Guarantees**

**(a) Private replacement loans**

The company is a guarantor, jointly and severally, with certain other group companies of US\$75million (1999 – US\$75million) unsecured loan notes, issued under agreements dated 22 October 1998.

The company is a guarantor, jointly and severally, with certain other Group companies, of US\$30million (1999 – US\$30million) unsecured loan notes under amended and restated agreements dated 31 October 1995 and 15 January 1999.

**(b) Bank guarantees**

The company is a guarantor, jointly and severally, with certain other group companies, of all indebtedness of these other group companies to two of the group's UK clearing bankers.

**(c) Revolving credit facility**

The company is a guarantor, jointly and severally, with certain other UK group companies of a committed five year £100 million multi currency revolving credit facility for the Group dated 28 June 1999. At 31 December 2000 the total amounts borrowed under the facility were £85.3 million (1999 - £79.7 million) comprising £22.5 million, Danish Kroner 20.0 million, Swedish Kroner 13.5 million, Euro 30 million, Yen 1,200 million and US\$51 million at variable interest rates.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**20. FINANCIAL COMMITMENTS (continued)**

**Pension arrangements**

The company contributes the regular cost of providing pension benefits for its employees to the group pension schemes. Any variation from this regular contribution is reflected in the accounts of the ultimate parent company, Senior plc.

The pension cost charge for the year was £628,000 (1999 - £392,000). Outstanding contributions of £74,000 (1999 - £71,000) at the end of the year are shown in the balance sheet within creditors (accruals) falling due within one year. Further details of the group schemes and the actuarial valuations are given in the accounts of the ultimate parent company, Senior plc.

**21. ULTIMATE PARENT COMPANY**

The company's immediate parent company is Senior Engineering Investments Limited.

The company's ultimate parent company, which prepares consolidated accounts incorporating the company's results, is Senior plc, whose registered office is at 59/61 High Street, Rickmansworth, Hertfordshire WD3 1RH. The consolidated accounts of the group are available to the public and may be obtained from the aforementioned address.

**22. RELATED PARTY TRANSACTIONS**

Transactions with group entities are not disclosed as the company is a wholly owned subsidiary of a company which produces consolidated accounts that are publicly available.