

# REGISTRAR OF COMPANIES

**Reelectronic-  
Remech  
Limited**

**Annual Report and Accounts**

31 December 2001



**Buzzacott**

Company Registration Number  
2585109 (England and Wales)

<b>Directors</b>	G J French S Allermann B Elsner
<b>Secretary</b>	Legist Secretaries Limited
<b>Registered office</b>	Senator House 85 Queen Victoria Street London EC4V 4JL
<b>Registered number</b>	2585109 (England and Wales)
<b>Auditors</b>	Buzzacott 12 New Fetter Lane London EC4A 1AG
<b>Solicitors</b>	Eversheds Senator House 85 Queen Victoria Street London EC4V 4JL

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part of the statutory accounts:

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## **Directors' report** 31 December 2001

The directors present their report with the accounts of the company for the year ended 31 December 2001.

### **Principal activity**

The company did not trade during the year and is now dormant.

### **Review of business**

A summary of the results of the year's trading is given on page 4 of the accounts.

On 2 January 2001 the company's net assets and trade were acquired by the company's immediate parent company BELFOR-Relectronic (UK) Limited and the company became dormant.

### **Dividends**

The directors recommended a dividend for the year of £10.859 per share amounting to £1,694,000 which was paid on 27 March 2001 (2000 - £nil).

### **Directors**

The directors in office during the year were as follows:

	<b>Appointed / Resigned</b>
G J French	
S Allermann	Appointed 27 March 2001
B Elsner	
Dr H Friedrich	Resigned 27 March 2001
H-P Wollner	Resigned 27 March 2001

No director held any beneficial interest in the company or in any other company in the group incorporated in Great Britain at 31 December 2001.

### **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;
- ◆ follow applicable accounting standards, 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.

**Directors' report** 31 December 2001

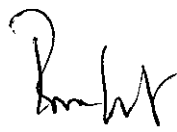
**Fixed assets**

Movements in fixed assets are shown in the notes to the accounts.

**Auditors**

Under Section 386 of the Companies Act 1985 the company has elected to dispense with the need to re-appoint its auditors, Buzzacott, annually.

Signed on behalf of the board of directors:



P. W. Furley  
Furley & Secretaries Limited

Secretary

Approved by the board on: 27th February 2002

## **Independent auditors' report** 31 December 2001

### **Independent auditors' report to the shareholders of Relectronic-Remech Limited**

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

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

As described on page 1, the company's directors are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 1985. 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 with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **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 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 of information in the accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

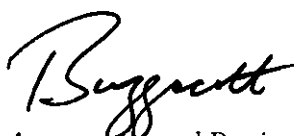
Buzzacott

Chartered Accountants and Registered Auditors

12 New Fetter Lane

London

EC4A 1AG



19 March 2002

**Profit and loss account** Year ended 31 December 2001

	Notes	15 months to 31 December			
		2001	2001	2000	2000
		£	£	£	£
<b>Turnover</b>	1	—	—	8,400,509	
Cost of sales		—	—	5,094,429	
<b>Gross profit</b>		—	—	3,306,080	
Selling and distribution costs		—	—	60,434	
Administrative expenses		—	—	2,958,166	
		—	—	3,018,600	
<b>Operating profit</b>	2	—	—	287,480	
<b>Profit on sale of net assets</b>		1,131,667	—	—	
		1,131,667	—	287,480	
Interest receivable	5	—	—	978	
Interest payable	6	—	—	(132,522)	
		—	—	(131,544)	
<b>Profit on ordinary activities before taxation</b>		1,131,667	—	155,936	
<b>Taxation</b>	7	—	—	80,726	
<b>Profit on ordinary activities after taxation</b>		1,131,667	—	75,210	
<b>Dividend</b>	8	1,694,000	—	—	
<b>Retained (loss) profit for the financial year</b>		(562,333)	—	75,210	
<b>Retained profit at 1 January 2001</b>		562,333	—	487,123	
<b>Retained profit at 31 December 2001</b>		—	—	562,333	

The company's activities and trade were acquired by BELFOR-Relectronic (UK) Limited on 2 January 2001.

The company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalent.

**Balance sheet** 31 December 2001

	Notes	2001 £	2001 £	2000 £	2000 £
<b>Fixed assets</b>					
Tangible assets	9		—		415,070
<b>Current assets</b>					
Stocks		—		127,009	
Debtors	10	156,000		1,943,461	
Cash at bank and in hand		—		204,225	
		<b>156,000</b>		<b>2,274,695</b>	
<b>Creditors: amounts falling due within one year</b>	11	—		1,964,050	
<b>Net current assets</b>			<b>156,000</b>		<b>310,645</b>
<b>Total assets less current liabilities</b>			<b>156,000</b>		<b>725,715</b>
<b>Creditors: amounts falling due after one year</b>	12		—		(7,382)
			<b>156,000</b>		<b>718,333</b>
<b>Capital and reserves</b>					
Equity interests:					
Called up share capital	14	156,000		156,000	
Profit and loss account		—		562,333	
<b>Shareholders' funds</b>	15	<b>156,000</b>		<b>718,333</b>	

Signed on behalf of the board of directors by:

G. S. Frenkel

Director

Approved by the board on: 27/02/02.



## **Principal accounting policies 31 December 2001**

### **Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

### **Cash flow**

The accounts do not include a cash flow statement because the company, as a wholly owned subsidiary, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

### **Turnover**

Turnover consists of sales of goods and services at invoiced value excluding VAT plus an estimate of the value of work performed as at the year end on contracts still in progress at that date.

### **Leased assets**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

### **Pension costs**

Company contributions in respect of the defined contribution pension scheme are charged to the profit and loss account in the year in which they are due.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates on cost in order to write off each asset over its estimated useful life:

◆ Short-leasehold land and buildings	Equal instalments over the lease term
◆ Plant, machinery, fixtures and fittings	20%
◆ Motor vehicles	33.33%

## **Principal accounting policies** 31 December 2001

### **Stocks**

Stocks of raw materials are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost is computed using the first in, first out method.

### **Contracts in progress at year end**

The accounting policy for contracts in progress has been changed to bring it into line with the group's accounting policy. Contracts in progress at the year end are valued at that proportion of the sales value which reflects the stage of completion reached at the balance sheet date less provision for unearned profits in respect of work not yet completed and for known and potential losses.

The amount by which recorded turnover is in excess of progress payments received and receivable is classified as a sales reserve and is separately disclosed in debtors.

### **Deferred taxation**

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability or asset will crystallise in the foreseeable future.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

## Notes to the accounts 31 December 2001

### 1 Turnover

Turnover and the profit before taxation arise solely from the company's principal activity carried out in the following geographical areas:

	2001	15 months to 31 December 2000
	£	£
United Kingdom	—	6,895,019
Europe	—	1,191,615
Rest of the world	—	313,875
	—	8,400,509

### 2 Operating profit

	2001	15 months to 31 December 2000
	£	£
This is stated after charging (crediting):		
Reorganisation costs, including redundancy costs		189,441
Depreciation of tangible fixed assets	—	218,804
(Profit)/loss on sale of fixed assets	(1,131,667)	15,963
Staff costs, excluding redundancy costs (note 3)	—	3,995,367
Auditors' remuneration	—	17,600
Operating lease rentals		
- land and buildings	—	239,593
- other	—	207,330
Foreign currency exchange (gain)/loss	—	(71,074)

### 3 Staff costs

Staff costs, including directors' remuneration (note 4), were as follows:

	2001	15 months to 31 December 2000
	£	£
Wages and salaries	—	3,590,362
Social security costs	—	334,483
Other pension costs	—	70,522
	—	3,995,367
Redundancy costs	—	125,073
	—	4,120,440

## Notes to the accounts 31 December 2001

### 3 Staff costs (continued)

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

		15 months to 31 December
	2001	2000
Service provision	—	118
Administration	—	17
	—	135

### 4 Directors' remuneration

		15 months to 31 December
	2001 £	2000 £
Emoluments for services as directors	—	174,537
Pension contributions	—	11,521
	—	186,058

There are no directors (2000 – none) to whom retirement benefits are accruing under personal pension plans.

### 5 Interest receivable

		15 months to 31 December
	2001 £	2000 £
Bank interest receivable	—	521
Interest receivable from group undertakings	—	416
Other	—	41
	—	978

### 6 Interest payable

		15 months to 31 December
	2001 £	2000 £
Bank interest	—	13,020
Loan interest – Relectronic-Remech GmbH	—	116,043
Finance lease interest	—	1,676
Other	—	1,783
	—	132,522

## Notes to the accounts 31 December 2001

### 7 Taxation

The tax charge on the profit on ordinary activities for the year was as follows:

	2001 £	15 months to 31 December 2000 £
Corporation tax at 30% based on the adjusted results of the year	—	80,000
Corporation tax adjustment in respect of prior years	—	726
	<u>—</u>	<u>80,726</u>

### 7 Dividend

	2001 £	15 months to 31 December 2000 £
Paid £10.859 on 27 March 2001 for every ordinary share of £1 each	<u>1,694,000</u>	<u>—</u>

### 9 Tangible fixed assets

	Land and buildings £	Plant, machinery, fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2001	262,133	782,072	63,317	1,107,522
Transfer to group undertaking	(262,133)	(782,072)	(63,317)	(1,107,522)
At 31 December 2001	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Depreciation</b>				
At 1 January 2001	138,786	510,057	43,609	692,452
Transfer to group undertaking	(138,786)	(510,057)	(43,609)	(692,452)
At 31 December 2001	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Net book values</b>				
At 31 December 2001	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
At 31 December 2000	<u>123,347</u>	<u>272,015</u>	<u>19,708</u>	<u>415,070</u>

## Notes to the accounts 31 December 2001

### 10 Debtors

	2001 £	2000 £
Trade debtors	—	894,896
Sales reserve	—	816,582
Amount owed by group undertakings	156,000	59,072
Prepayments and accrued income	—	172,911
	<b>156,000</b>	<b>1,943,461</b>

### 11 Creditors: amounts falling due within one year

	2001 £	2000 £
Trade creditors	—	439,604
Amount owed to group undertakings	—	1,187,886
Social security and other taxes	—	140,534
Accruals	—	103,942
Taxation	—	80,000
Obligations under finance lease	—	12,084
	—	<b>1,964,050</b>

### 12 Creditors: amounts falling due after one year

	2001 £	2000 £
Obligations under finance lease	—	7,382

### 13 Deferred taxation

The amounts provided and unprovided for deferred taxation, calculated at 30% were as follows:

	2001 Amount provided £	2001 Amount unprovided £	2000 Amount provided £	2000 Amount unprovided £
Accelerated capital allowances	—	—	—	—

### 14 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2001 £	2000 £	2001 £	2000 £
180,000 Ordinary shares of £1 each	180,000	180,000	—	—
156,000 Ordinary shares of £1 each	—	—	156,000	156,000

## Notes to the accounts 31 December 2001

### 15 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
<b>Equity Funds</b>		
Profit for the financial year after taxation	1,131,667	75,210
Dividend	(1,694,000)	—
	(562,333)	75,210
Opening shareholders' funds at 1 January 2001	718,333	643,123
Closing shareholders' funds at 31 December 2001	156,000	718,333

### 16 Leasing commitments

Operating leases

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001		2000	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	—	—	18,792	—
Within two to five years	—	—	165,254	167,542
	—	—	184,046	167,542

### 17 Ultimate parent undertaking

At 31 December 2001 the company's immediate parent company was BELFOR-Relelectronic (UK) Limited.

At 31 December 2001 the ultimate parent undertaking was Franz Haniel & Cie GmbH, a company registered in Germany.

The largest group in which the results of the company are consolidated is that headed by Franz Haniel & Cie GmbH. The consolidated accounts, which are available to the public, can be obtained from D-47118 Duisburg, Germany.

### 18 Related party transactions and control

The accounts do not include disclosure of transactions between the company and entities that are part of the Franz Haniel & Cie GmbH group. This is because, as a subsidiary whose shares are more than 90% controlled within the group, it is exempt from the requirement to disclose such transactions, under Financial Reporting Standard 8 "Related Party Disclosures".

Franz Haniel & Cie GmbH is controlled by members of the Haniel family.