

Registered Number 2701593

Viasystems EMS - UK Limited
Annual report and financial statements
for the year ended 31 December 2001

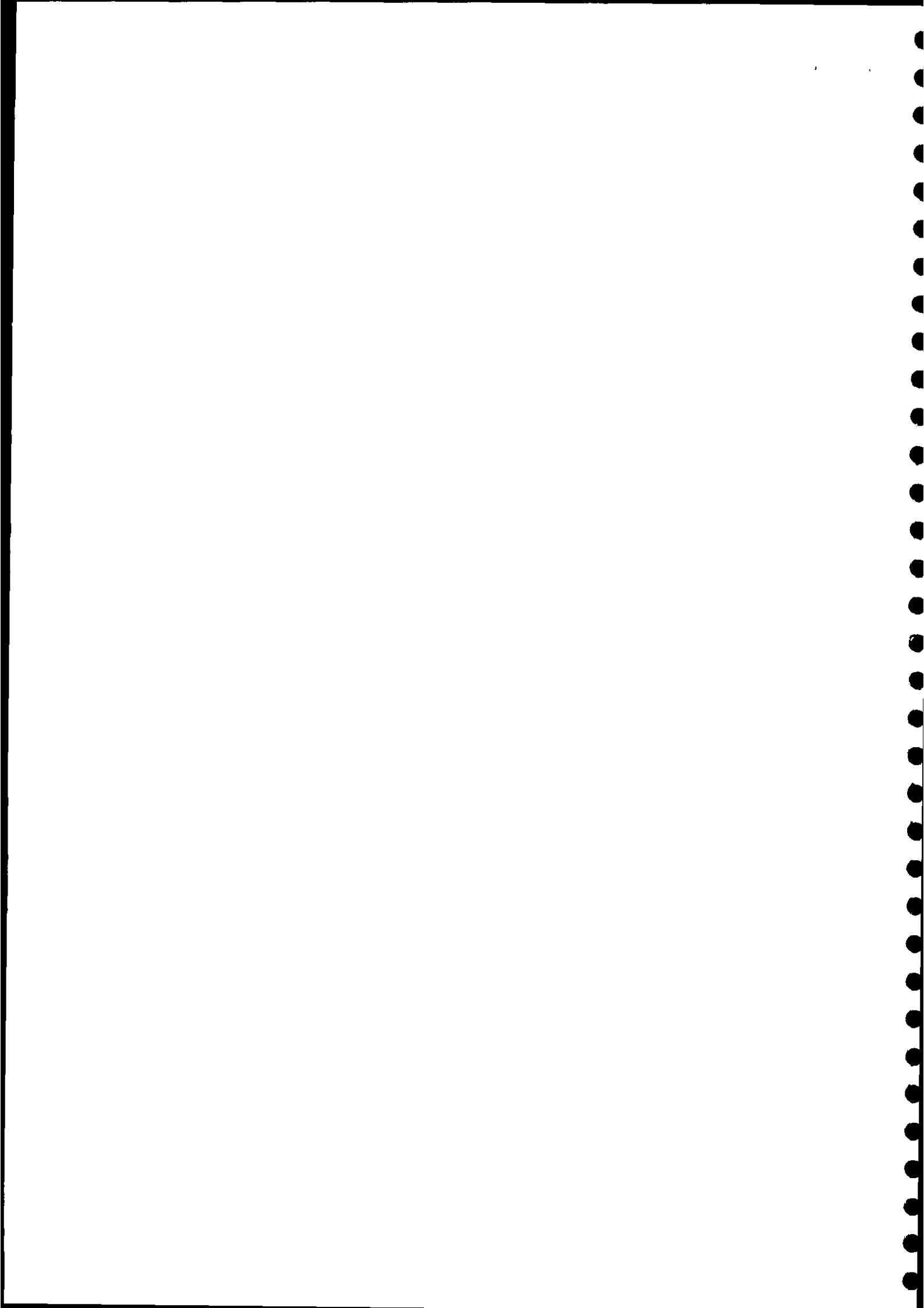


Viasystems EMS - UK Limited

Annual report and financial statements for the year ended 31 December 2001

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Viasystems EMS - UK Limited

Directors and Advisers for the year ended 31 December 2001

Directors

M Caulfield (resigned 31 August 2001)
D J Webster
J Davis (appointed 31 August 2001, resigned 31 July 2002)

Secretary

G I Foster (resigned 31 October 2001)
A Price (appointed 31 October 2001, resigned 6 April 2002)
J Sax (appointed 6 April 2002)

Registered Office

Uxbridge Avenue
New Century Park
Coventry
CV3 1RR

Auditors

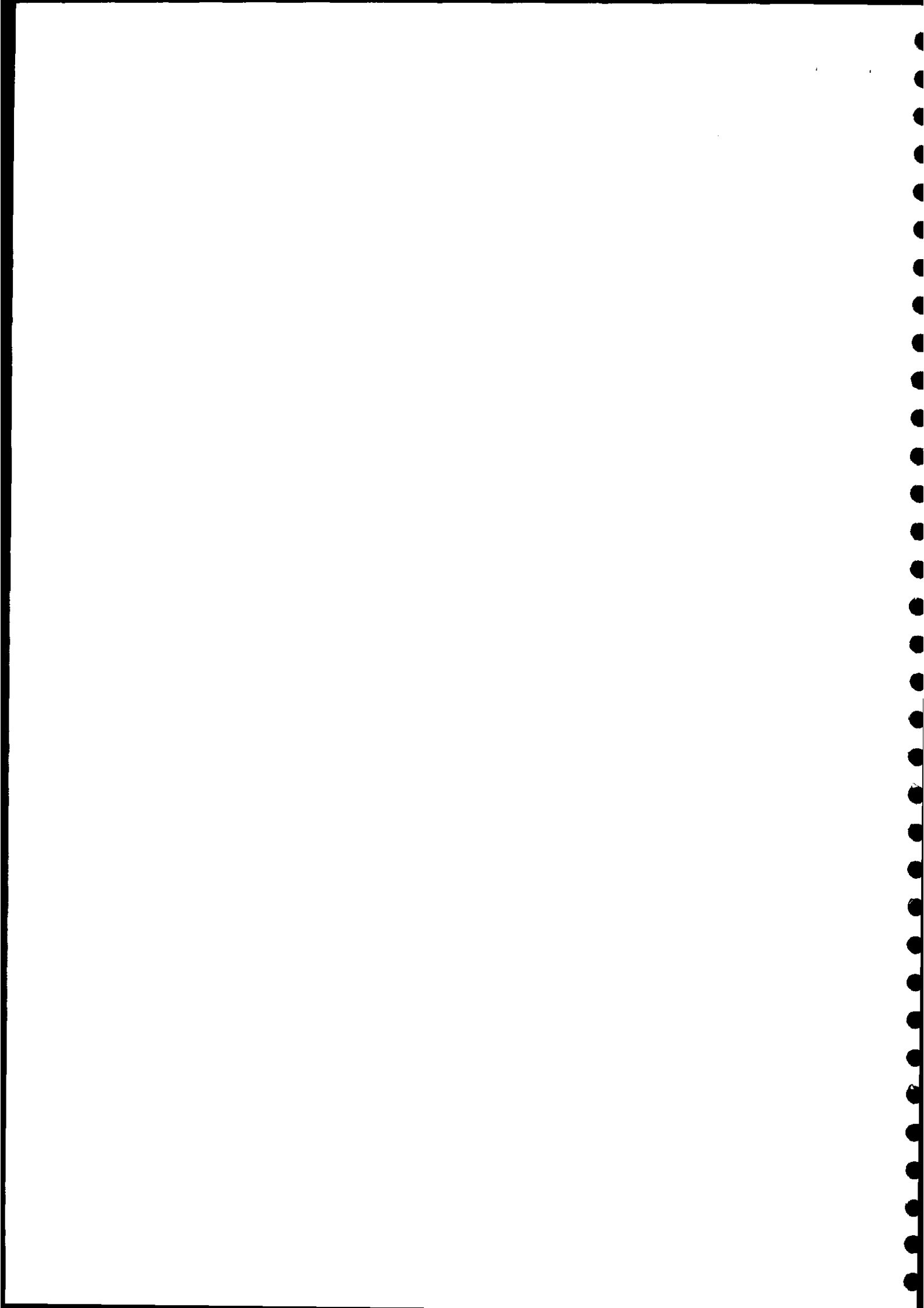
PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Solicitors

Weil Gotshal & Manges
One South Place
London
EC2M 2WG

Bankers

Lloyds Bank
P O Box 17328
11-15 Monument Street
London
EC3V 9JA



Viasystems EMS - UK Limited

Directors' report for the year ended 31 December 2001

The directors present their report and the audited financial statements of the company for the year ended 31 December 2001.

Principal activities

The company's principal activity during the year was the design, manufacture, marketing and distribution of base station cabinet enclosures for the telecommunications equipment industry.

Review of business and future developments

The directors expect the company to continue to trade satisfactorily despite the continuing strength of sterling relative to the Euro.

Results and dividends

The company's profit for the year after taxation is as set out on page 5. The directors do not recommend the payment of a final dividend (2000: £Nil).

Directors and their interests

The directors who held office during the year are listed on page 1.

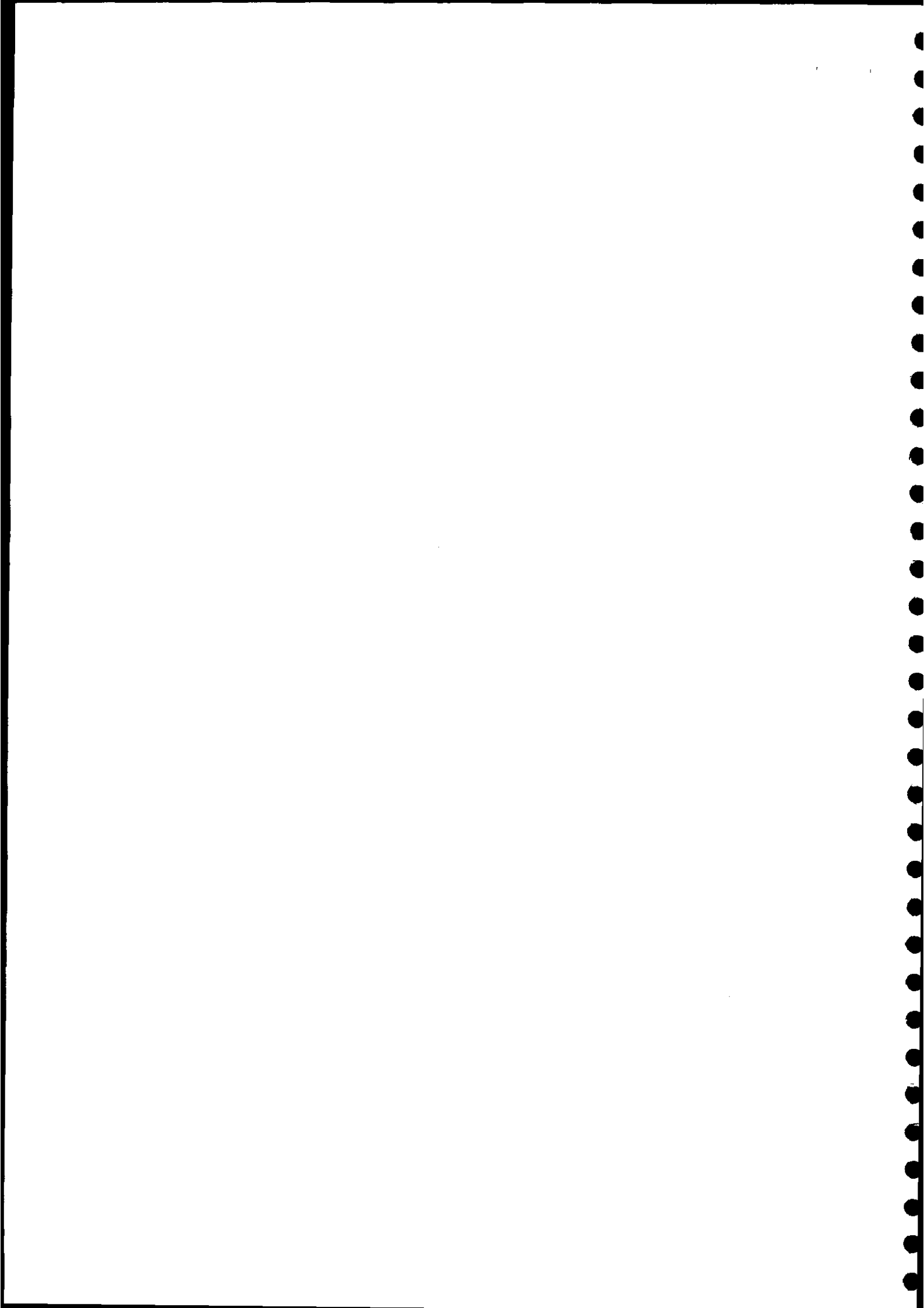
None of the directors had any beneficial interests in the shares of the company or any other UK group company at 31 December 2001 and at 1 January 2001, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985.

Details of the directors' interest in the shares of the company's parent undertaking are disclosed in that company's financial statements.

No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business.

Directors' and advisers' liability

Directors' and advisers' liability insurance has been purchased by the company during the year.



Viasystems EMS - UK Limited

Directors' report for the year ended 31 December 2001(continued)

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff 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 a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through internal newsletters, briefing groups and electronic communications.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

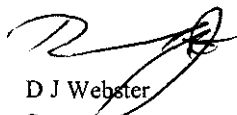
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2001, that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 28 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board



D J Webster
Secretary
18 June 2003

Viasystems EMS - UK Limited

Auditors' Report to the members of Viasystems EMS - UK Limited

We have audited the financial statements on pages 5 to 19.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom law and Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom 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 is not disclosed.

We read the other information contained in the Annual report and financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report

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.

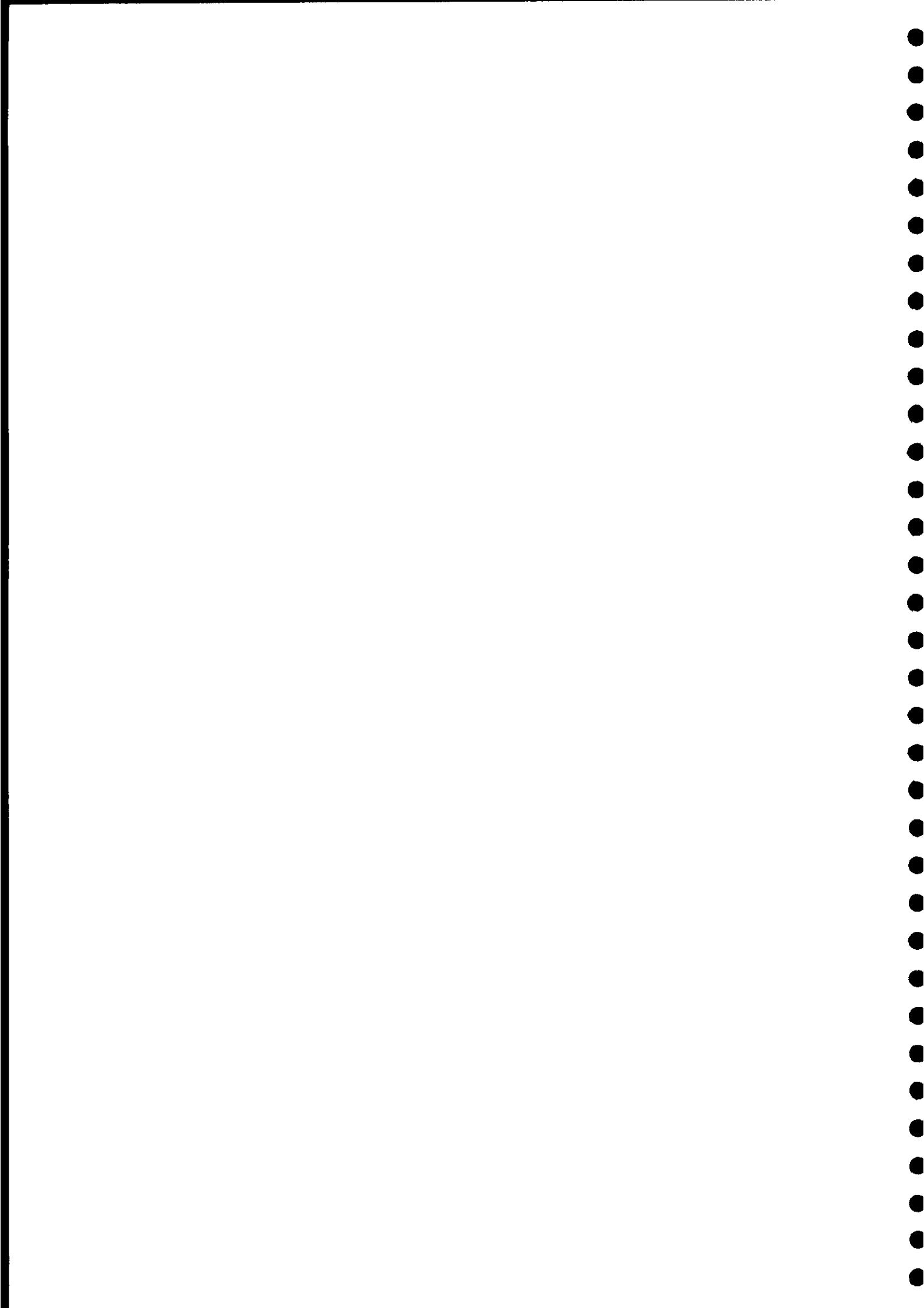
Opinion

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



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
East Midlands



Viasystems EMS - UK Limited

Profit and loss account for the year ended 31 December 2001

	Note	2001 £'000	2000 £'000
Turnover – continuing operations	2	44,087	72,834
Cost of sales		(40,254)	(58,692)
Gross profit		3,833	14,142
Distribution costs		(408)	(934)
Administrative expenses		(12,346)	(12,292)
Operating (loss)/profit	5	(8,921)	916
Income from participating interests		832	832
(Loss)/Profit on ordinary activities before interest and taxation		(8,089)	1,748
Interest receivable and similar income		193	-
Interest payable and similar charges	6	-	(1,243)
(Loss)/Profit on ordinary activities before taxation		(7,896)	505
Tax on (loss)/profit on ordinary activities	7	-	-
(Loss)/Profit for the financial year		(7,896)	505
Dividends – including non-equity		-	-
Retained (loss)/profit for the financial year	17	(7,896)	505

All items dealt with in arriving at operating profit above relate to continuing operations.

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

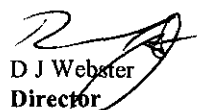
There are no recognised gains and losses other than those included above and so a separate statement of total recognised gains and losses has not been prepared.

Viasystems EMS - UK Limited

Balance sheet as at 31 December 2001

	Note	2001 £'000	2001 £'000	2000 £'000	2000 £'000
Fixed assets					
Intangible assets	8	-		383	
Tangible assets	9	6,552		6,814	
Investments	10	3,663		5,057	
			10,215		12,254
Current assets					
Stocks	11	3,039		4,595	
Debtors	12	12,481		13,067	
Cash at bank and in hand		2,634		9,305	
			18,154		26,967
Creditors - amounts falling due within one year	13		(16,278)		(17,102)
Net current assets			1,876		9,865
Total assets less current liabilities			12,091		22,119
Creditors - amounts falling due after one year	14		(24,745)		(26,997)
Provisions for liabilities and charges	15		(909)		(789)
Net liabilities			(13,563)		(5,667)
Capital and reserves					
Called up equity share capital	16,17		1,192		1,192
Share premium account	17		8,875		8,875
Capital redemption reserve	17		583		583
Profit and loss account	17		(24,213)		(16,317)
Total equity shareholders' funds			(13,563)		(5,667)

The financial statements on pages 5 to 18 were approved by the board of directors on 18 June 2003 and were signed on its behalf by:


D J Webster
Director

Viasystems EMS - UK Limited

Notes to the financial statements for the year ended 31 December 2001

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

Basis of accounting

The financial statements are prepared under the historical cost convention.

The company is a wholly owned subsidiary of Viasystems EMS – Europe Limited which is a wholly owned subsidiary of Viasystems Boldon Limited, which is in turn a wholly owned subsidiary of Viasystems Group Inc. Viasystems Group Inc prepares consolidated financial statements and accordingly the company has taken advantage of the exemption not to publish its own cash flow statement.

Basis of preparation – going concern

At 31 December 2001 the company had net liabilities. The directors have prepared the financial statements on a going concern basis, taking into account the current market position and prospects of the company, and an undertaking from the company's parent undertaking, to continue to provide working capital support to the company. The long term debt owed to the immediate parent company (see note 14) has been subordinated to third party debt.

Fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, on a straight line basis over their estimated economic lives. The estimated economic lives used for this purpose are:

Freehold land and buildings	2.5% per annum
Short term lease improvements	Over the term of the lease
Plant and machinery	15% per annum
Motor vehicles	25% per annum
Fixtures and fittings	Between 10% and 20%

Investments

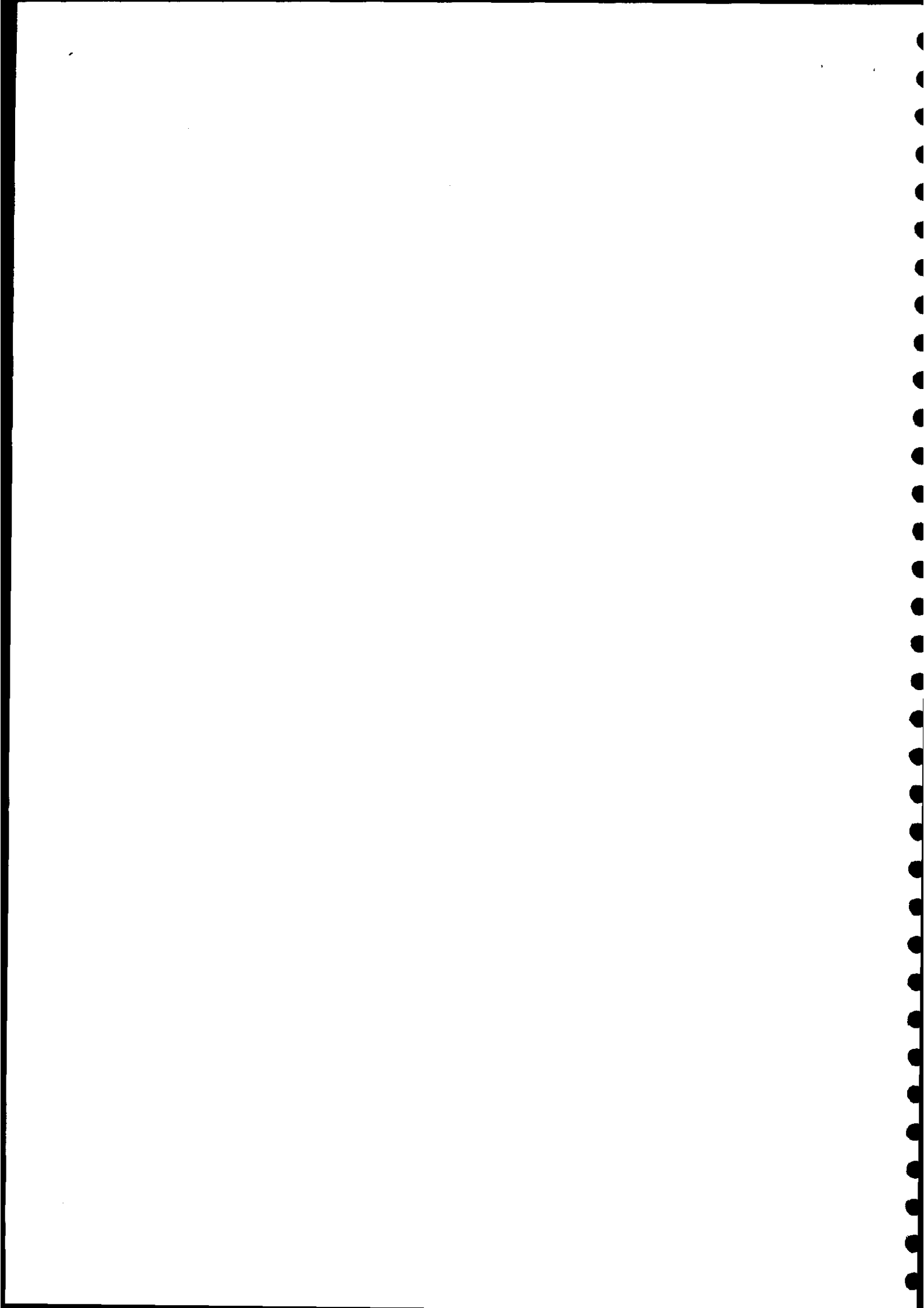
Investments held as fixed assets are stated at cost less provision for any impairment in value.

Goodwill and intangible assets

Goodwill arising on acquisitions is written off over a period of 15 years on the basis that this is the period of time over which the benefit of a transaction will accrue to the company.

Investments in participating interests

Undertakings, other than subsidiary undertakings, in which the company has an investment representing not less than 20% of the voting rights and over which it exerts significant influence are treated as participating interests.



Viasystems EMS - UK Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. Exchange gains and losses are recorded in the profit and loss account.

Investments denominated in foreign currencies are recorded at historic cost. Exchange gains and losses on translation are recorded in the statement of total recognised gains and losses.

Leases

Leasing agreements and hire purchase contracts which transfer to the company substantially all the benefits and risks of ownership of an asset ("finance leases") are treated as if the asset had been purchased outright. Assets held under such agreements are included in fixed assets and the capital element of commitments is shown as obligations under finance leases. Payments under such agreements are treated as consisting of capital and interest elements. The interest element is charged to the profit and loss account over the primary lease period in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

All other leases are treated as operating leases, the costs of which are charged on a straight line basis over the lease term.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and an appropriate proportion of production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow-moving and defective stocks. Net realisable value is based on estimated selling price less all further costs to completion and relevant marketing, selling and distribution costs.

Long-term contracts

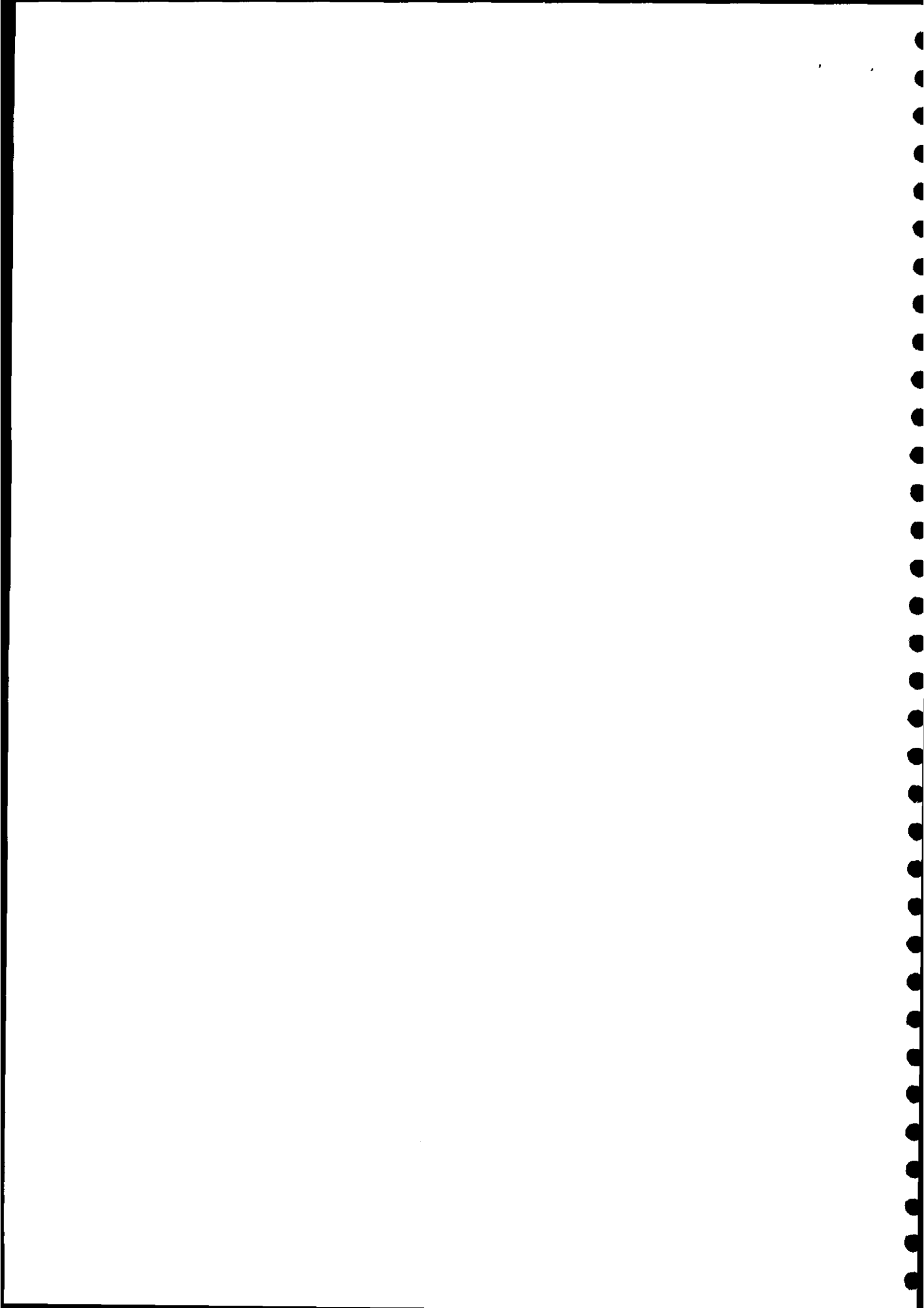
Long term contract work in progress is stated at cost plus, where the outcome can be assessed with reasonable certainty, estimated profits attributable to the state of completion, less provision for any known or anticipated losses and progress payments received on account. Advance payments and deposits are included in creditors.

Pensions

The company operates a defined contribution pension scheme. The charge against profit is the amount of employer contributions payable to the pension scheme in respect of the accounting period.

Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. All sales are to third parties.



Viasystems EMS - UK Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

1 Accounting policies (continued)

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Government grants

Government grants are released to the profit and loss account when received, net of any amounts which may be repayable in the future.

2 Turnover

Turnover stated by destination:

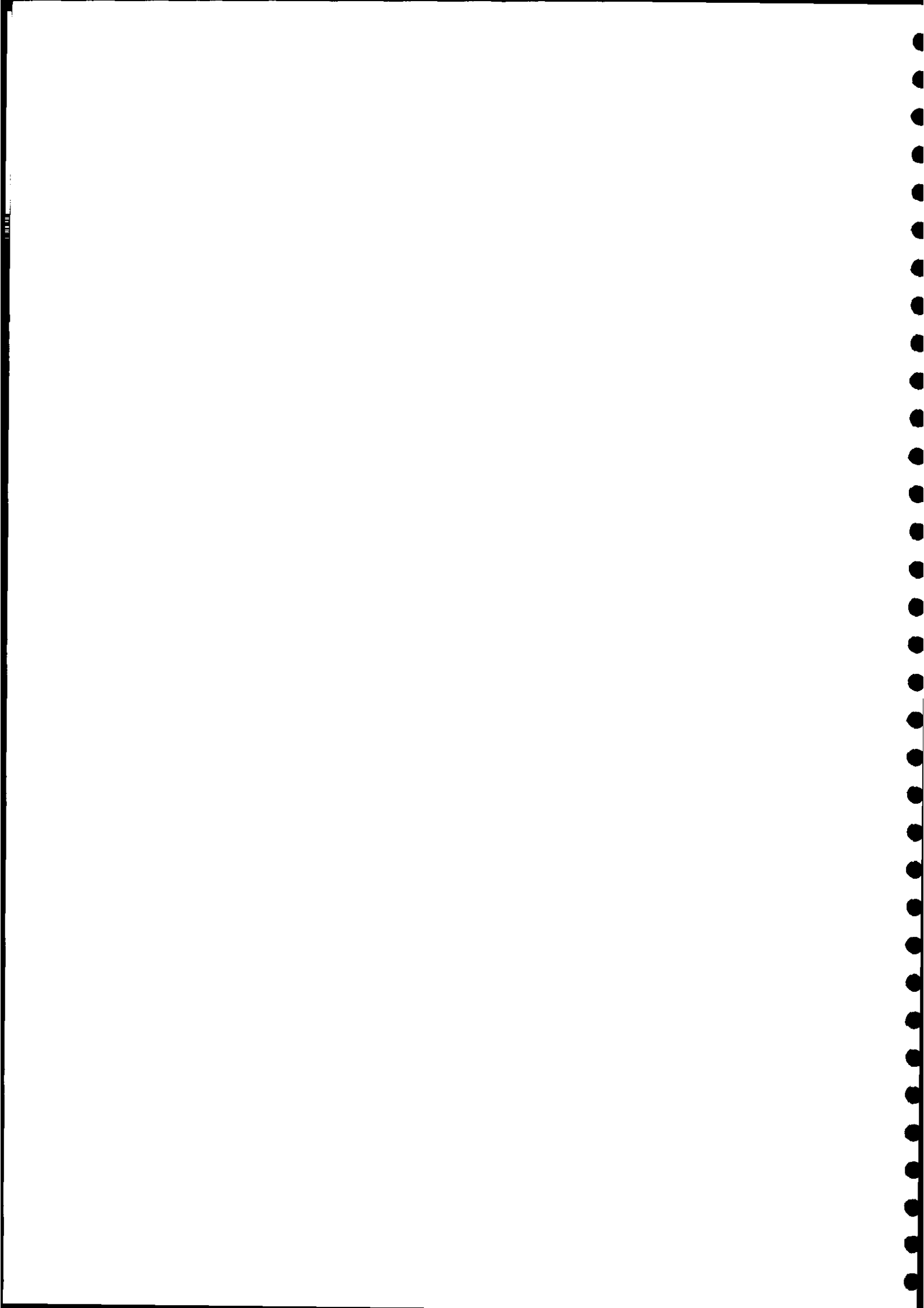
	2001	2000
	£'000	£'000
United Kingdom	26,611	72,638
Europe	17,476	196
Total	44,087	72,834

3 Directors' emoluments

	2001	2000
	£'000	£'000
Aggregate emoluments	227	156
Other emoluments	132	37
	359	193

	2001	2000
	Number	Number
Number of directors who were members of the Group money purchase pension scheme	1	1

The highest paid Director's aggregate emoluments amount to £359,000 (2000:£193,000). Company contributions to his pension scheme amount to £4,107 (2000: £5,830).



Viasystems EMS - UK Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

4 Employee information

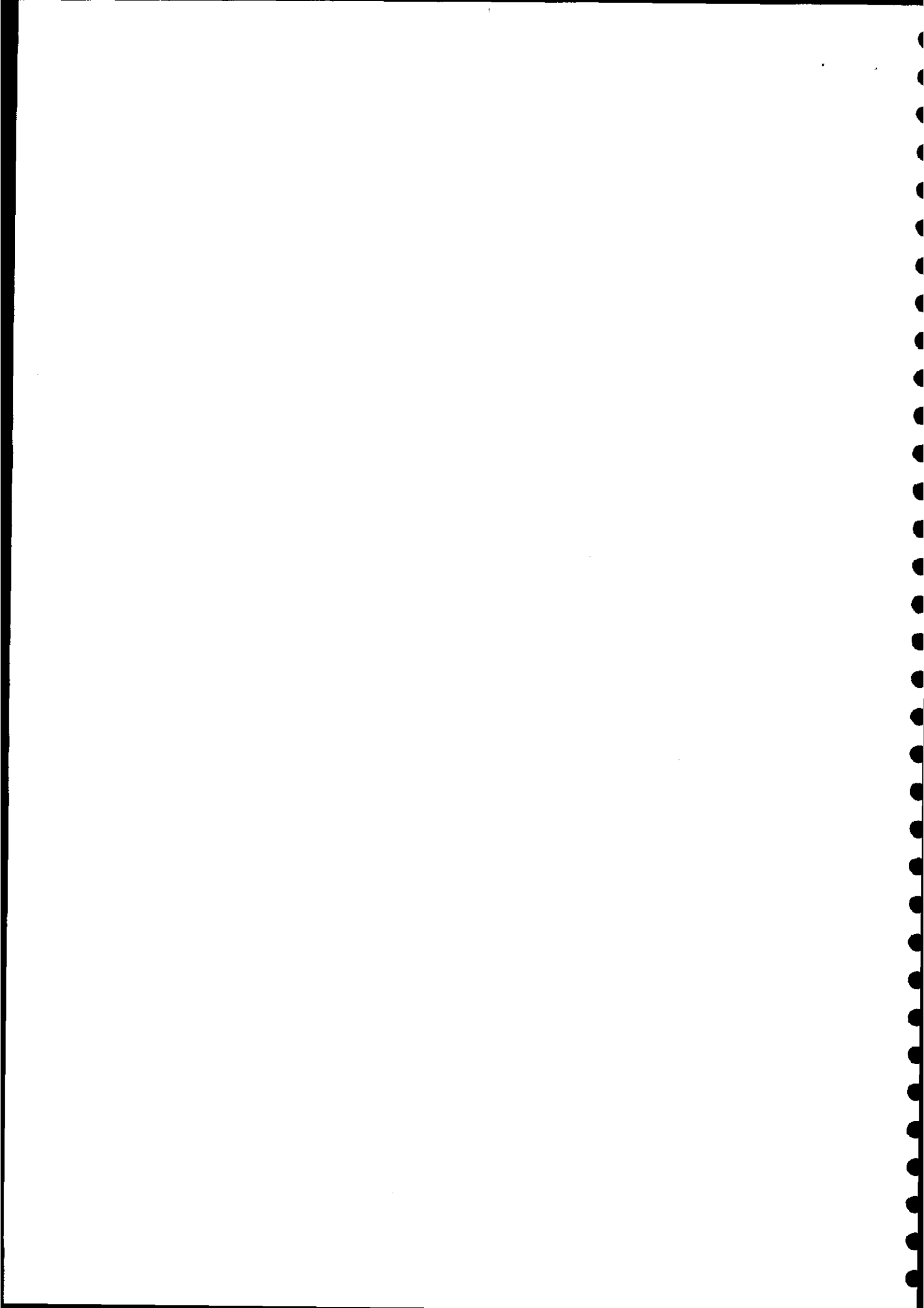
The average monthly number of persons (including executive directors) employed by the company during the year was:

	2001	2000
By activity	Number	Number
Production	487	652
Sales and distribution	24	26
Administration	30	31
	541	709

	2001	2000
Staff costs	£'000	£'000
Wages and salaries	11,832	11,957
Social security costs	1,382	1,229
Other pension costs	120	121
	13,334	13,307

5 Operating profit/(loss)

	2001	2000
Operating profit is stated after charging/(crediting):	£'000	£'000
Depreciation of tangible fixed assets:		
- owned assets (note 9)	1,326	1,324
Goodwill amortisation (note 8)	383	34
Operating lease charges (all relating to plant and machinery)	599	520
Grant release	(5)	(33)
Loss on disposal of fixed assets	83	48
Auditors' remuneration:		
- audit services	71	71
- non-audit services	-	-



Viasystems EMS - UK Limited

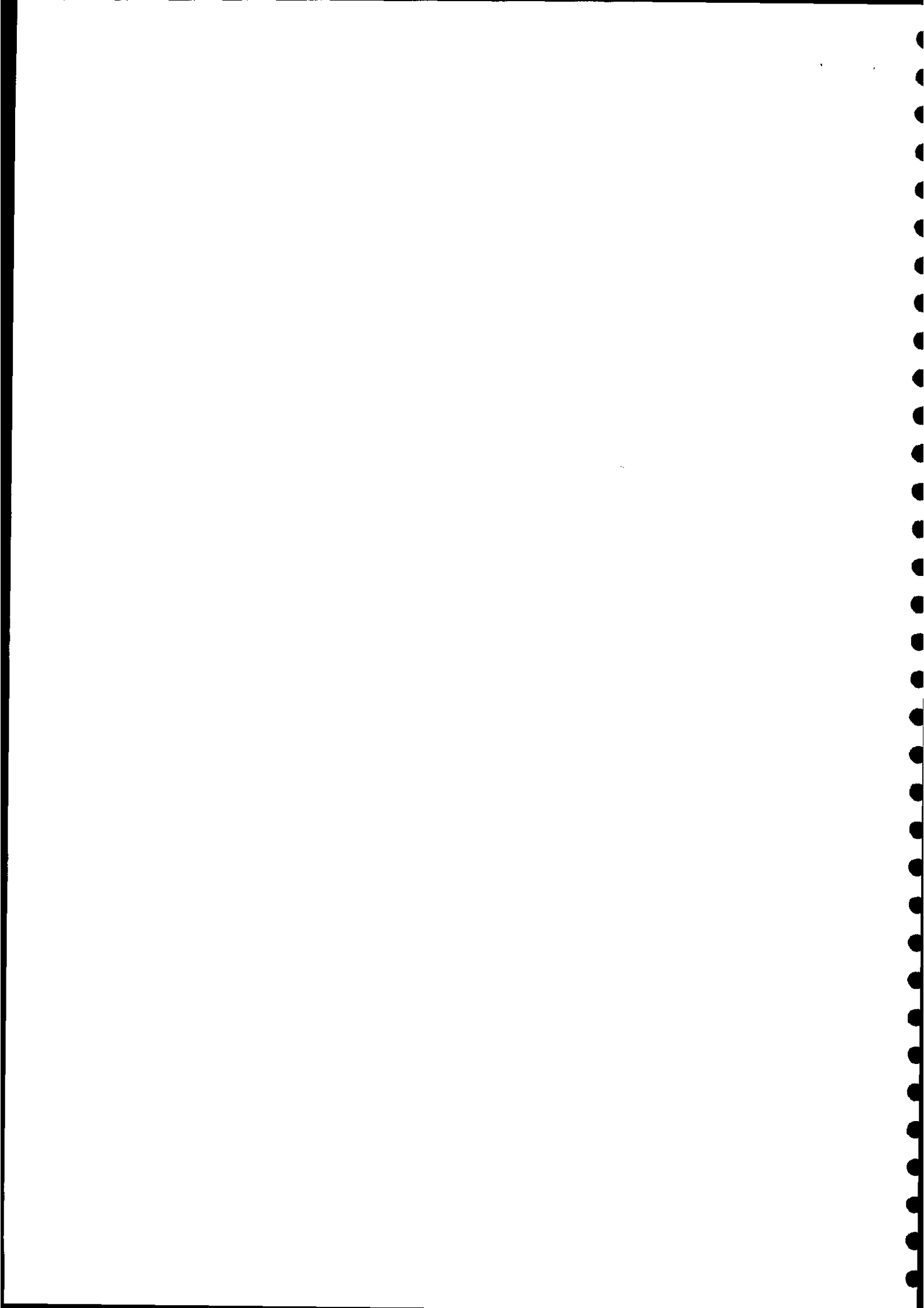
Notes to the financial statements for the year ended 31 December 2001 (continued)

6 Interest payable and similar items

	2001	2000
	£'000	£'000
Interest payable on bank loans, overdrafts and other loans:		
- repayable within five years, by instalments	-	(1,243)
Net interest payable	-	(1,243)

7 Tax on loss on ordinary activities

	2001	2000
	£'000	£'000
UK corporation tax at 30% (2000: 30.25%) based on the loss for the year		
Current	-	-
Under/(over) provision in respect of prior years	-	-
	-	-



Viasystems EMS - UK Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

8 Intangible fixed assets

	Goodwill £'000
Cost or valuation	
At 1 January 2001	500
At 31 December 2001	500
Accumulated depreciation	
At 1 January 2001	117
Charge for the year	383
At 31 December 2001	500
Net book amount	
At 31 December 2001	-
At 31 December 2000	383

The goodwill arose on the purchase of the business assets at the company's Ballynahinch site.

Viasystems EMS - UK Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

9 Tangible fixed assets

	Fixtures and fittings	Plant and machinery	Motor vehicles	Leasehold alterations	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2001	2,424	8,952	731	1,043	13,150
Additions	202	1,168	199	43	1,612
Disposals	(100)	(182)	(441)	(1)	(724)
At 31 December 2001	2,526	9,938	489	1,085	14,038
Accumulated depreciation					
At 1 January 2001	1,796	3,303	528	709	6,336
Charge for the year	350	667	221	88	1,326
Disposals	(68)	(18)	(89)	(1)	(176)
Reclassification	(30)	290	(256)	(4)	-
At 31 December 2001	2,048	4,242	404	792	7,486
Net book amount					
At 31 December 2001	478	5,696	85	293	6,552
At 31 December 2000	628	5,649	203	334	6,814

Viasystems EMS - UK Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

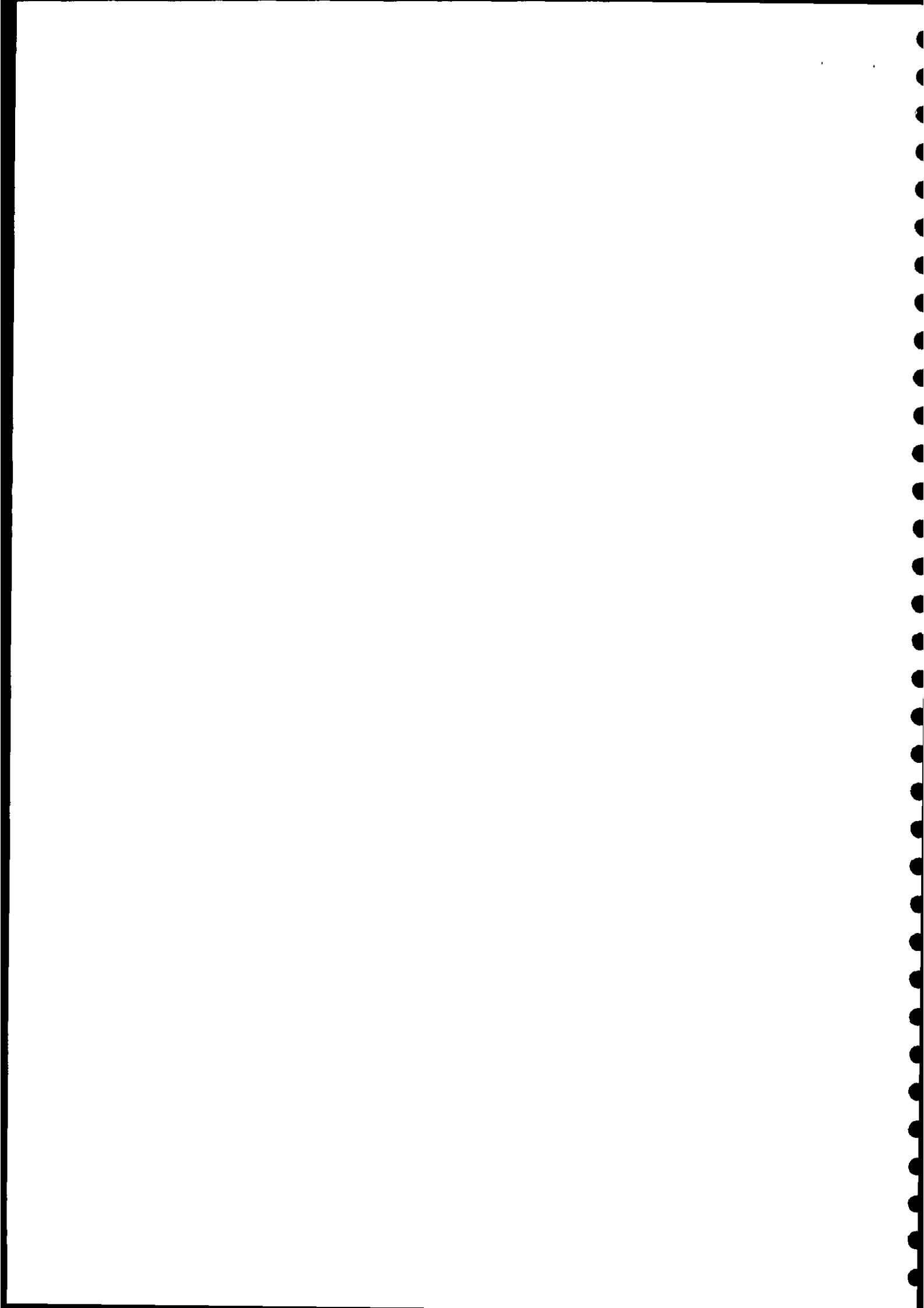
10 Investments held as fixed assets

	£'000
Cost	
At 31 December 2000	5,078
Proceeds from investment	886
At 31 December 2001	5964
Provision	
At 31 December 2000	21
Provided in year	2280
At 31 December 2001	2,301
Net Book Value	
At 31 December 2001	3,663
At 31 December 2000	5,057

The company has a participating interest in Raintherm Limited, a company incorporated in the United Kingdom. Raintherm Limited has two classes of shares in issue each with 500 nominal £1 shares authorised and 453 allotted and fully paid. Both classes of shares have equal rights. The company holds 100% of the 'A' shares and there have been no changes in this holding during the year. The results of Raintherm Limited are not consolidated into Viasystems EMS UK Limited on the grounds that the company does not have effective control over Raintherm Limited. The financial statements of Raintherm Limited for the year ended 31 December 2001 disclose retained profit after dividends of £13,819 and net assets of £3,232,482. During 2002 the company disposed of this interest.

11 Stocks

	2001 £'000	2000 £'000
The Group and the Company		
Raw materials and consumables	1,957	1,836
Work in progress	598	1,313
Finished goods and goods for resale	484	1,446
	3,039	4,595



Viasystems EMS - UK Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

12 Debtors

	2001	2000
The Company	£'000	£'000
Trade debtors	9,184	12,793
Amounts owed by group undertakings	2,738	-
Prepayments and accrued income	106	78
Other debtors	453	196
	12,481	13,067

13 Creditors – Amounts falling due within one year

	2001	2000
	£'000	£'000
Trade creditors	6,065	13,422
Amounts owed to group undertakings	6,685	445
Accruals and deferred income	440	1,923
Other creditors	2,866	979
Taxation and social security	222	333
	16,278	17,102

Viasystems EMS - UK Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

14 Creditors – Amounts falling due after one year

	2001	2000
	£'000	£'000
Amounts owed to group undertakings	24,745	26,997

The amount due to the immediate parent company is unsecured and non-interest bearing. The directors of the immediate parent company have given an undertaking that this amount will not be recalled within a period of one year from the date of these accounts. The long term debt has been subordinated to third party debt.

15 Provisions for liabilities and charges

	Warranty provision	Environmental provision	Deferred tax provision	Total
	£'000	£'000	£'000	£'000
At 1 January 2001	317	472	-	789
Charged to the profit and loss account	120	-	-	120
Utilised during the year	-	-	-	-
31 December 2001	437	472	-	909

Warranty provisions represent costs for repairs of particular product lines sold under warranty agreements. The provision is expected to be utilised over a 3 year period from the balance sheet date.

The environmental provision is held in respect of clean-up costs associated with a site currently occupied by the Company. The provision is expected to be utilised over a 3 year period from the balance sheet date.

	Provided 2001	Provided 2000	Unprovided 2001	Unprovided 2000
	£'000	£'000	£'000	£'000
Provision for deferred tax	433	166	-	-
Capital allowances in excess of depreciation	(433)	(166)	-	(355)
General provisions	-	-	(6,647)	(2,860)
Trade losses	-	-	(6,647)	(3,215)

Viasystems EMS - UK Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

16 Called up share capital

	2001 £'000	2000 £'000
Authorised		
36,000,000 ordinary shares of 5p each	1,800	1,800
Allotted, called up and fully paid		
23,843,704 ordinary shares of 5p each	1,192	1,192

17 Reserves

	Total £'000	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 1 January 2001	(5,667)	1,192	8,875	583	(16,317)
Loss for the year	(7,896)	-	-	-	(7,896)
At 31 December 2001	(13,563)	1,192	8,875	583	(24,213)

18 Reconciliation of movements in shareholders' funds

	2001 £'000	2000 £'000
Retained (loss)/profit for the year	(7,896)	505
Foreign exchange gains	-	-
Net change in shareholders' funds	(7,896)	505
Opening equity shareholders' funds	(5,667)	(6,172)
Closing equity shareholders' funds	(13,563)	(5,667)

19 Financial commitments

	2001 £'000	2000 £'000
Capital expenditure contracted for at the year end	-	-

Viasystems EMS - UK Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

20 Operating lease commitments

	2001 £'000		2000 £'000	
	Land and Building	Other	Land and Buildings	Other
Leases which expire:				
- within one year	-	-	-	-
- within two to five years	599	-	500	-
	599	-	500	-

21 Pension commitments

The total pension cost for the company amounted to £120,000 (2000: £121,000) and there were no outstanding contributions at 31 December 2001.

22 Ultimate parent undertaking

The ultimate parent undertaking and controlling party of this company is Viasystems Group Inc., which is based in the United States.

During the year under review the immediate UK parent of this company was Viasystems EMS Europe Limited, which is itself owned by Viasystems Boldon Ltd. On 11 September 2002 the company was acquired by Viasystems Group Limited. Viasystems Group Inc. remained the ultimate parent undertaking.

Group accounts for Viasystems Group Inc., are available from 101 South Hanley Road, Suite 400, St Louis, MO 63105, United States of America.

23 Related party disclosure

The company is a wholly owned subsidiary of Viasystems Europe Limited. The company has therefore taken advantage of the exemption conferred by Financial Reporting Standard 8 in not disclosing any transactions with other group companies.

During the year the company sold goods with a value of £1,453 2000: (£99,919) and purchased goods with a value of £1,006,420 (2000: £5,086,536) from its participating interest, Raintherm Limited.