

Electrium (2003) Limited

**Directors' report and financial
statements**

Registered number 3335339

Year ended 30 September 2007



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Directors' report

The directors present their report and the audited financial statements of the company for the year ended 30 September 2007

Principal activities

Electrium (2003) Limited operates as a holding company to its subsidiary undertakings

Business review

General business overview – Income statement and balance sheet

The company's loss after tax for the year ended 30 September 2007 was £1,306,000 (*18 month period ended 30 September 2006 profit of £2,331,000*)

The balance sheet shared an overall reduction in net current assets and net assets of £1,306,000

The directors do not recommend payment of a dividend (*18 month period ended 30 September 2006 £Nil*)

The directors expect the company to continue operating as a holding company to its subsidiary undertakings

Directors and directors' interests

During the year ended 30 September 2007 the following were directors of the company

	Appointed	Resigned
CJ Thomas		
SD Mathur		
UK Kiehle	17 January 2007	
J Maier	17 January 2007	
GW Schneider	17 January 2007	
AJ Wood	17 January 2007	1 October 2007
TA White	1 October 2007	

No director holding office at 30 September 2007 had notified any beneficial interests in the shares of the company, nor any subsidiary of its parent undertaking

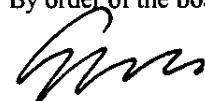
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all steps that ought to have been taken as director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditor

In accordance with section 379A of the Companies Act 1985, the company has decided to dispense with the laying of reports and accounts before the members in a general meeting, the annual appointment of auditors and the holdings of annual general meetings and accordingly KPMG Audit plc will therefore continue in office

By order of the board



G Gent
Secretary

Faraday House
Sir William Siemens Square
Frimley
Camberley
Surrey
GU16 8QD

15 January 2008

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

Independent auditors' report to the members of Electrium (2003) Limited

We have audited the financial statements of Electrium (2003) Limited for the year ended 30 September 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Electrium (2003) Limited
(continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

15 January 2008

Profit and loss account
for the year ended 30 September 2007

	<i>Note</i>	Year ended 30 September 2007 £000	18 month period ended 30 September 2006 £000
Administrative expenses		-	10
Operating profit		-	10
Tax on profit on ordinary activities	4	(1,306)	2,321
Retained (loss)/profit for the financial period	9	(1,306)	2,331

The company has no recognised gains or losses other than the loss for the year

The results were derived from continuing operations in both the current and preceding period

There is no difference between the (loss)/profit shown above and the historical cost (loss)/profit for either period

Balance sheet
at 30 September 2007

	Note	2007 £000	2006 £000
Fixed assets			
Investments	5	38,199	38,199
Current assets			
Debtors amounts falling due within one year	6	166,840	166,840
Debtors amounts falling due after more than one year	6	1,148	2,454
		<u>167,988</u>	<u>169,294</u>
Creditors: amounts falling due within one year	7	<u>(106,701)</u>	<u>(106,701)</u>
Net current assets		<u>61,287</u>	<u>62,593</u>
Net assets		<u>99,486</u>	<u>100,792</u>
Capital and reserves			
Called up share capital	8	1,882	1,882
Share premium account	9	104,620	104,620
Capital redemption reserve	9	1,740	1,740
Profit and loss account	9	(8,756)	(7,450)
Equity shareholders' funds		<u>99,486</u>	<u>100,792</u>

These financial statements were approved by the board of directors on 15 January 2008 and were signed on its behalf by



SD Mathur
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Changes in accounting policies

In these financial statements the company has adopted FRS 26 'Financial Instruments Recognition and Measurement' FRS26 has had no impact on the financial statements in the current or preceding period

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Siemens AG, and its cash flows are included within the consolidated cash flow statement of that company

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group

As the company is a wholly owned subsidiary of Siemens AG, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

The consolidated financial statements of Siemens AG within which the company is included, can be obtained from the address given in note 10

Investments

Investments are stated at the lower of cost less, where appropriate, provision for any impairment in value

Taxation

The charge for taxation is based on the result (*2006 profit*) for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Deferred tax assets and liabilities are measured at the average tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been acted or substantially enacted at the balance sheet date

The rate of corporation tax in the UK is to be reduced from 30% to 28% with effect from 1 April 2008. The change in rate was substantially enacted by the House of Commons on 26 June 2007 by the passing of a bill to approve the Finance Act 2007

UK deferred tax assets and liabilities have therefore been calculated at either 29% or 28% depending on whether the timing differences will reverse before or after 30 September 2008. The impact of the reduced tax rate on deferred tax assets and liabilities is shown as a separate component of the deferred tax charge for the year

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

Notes (continued)

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements are called up share capital and share premium account exclude amounts in relation to those shares

2 Employees

The average number of employees in the year was 5 (18 months ended 30 September 2006: 2) which comprised only of the company's directors. In both periods the directors were paid by fellow group companies and their emoluments are disclosed in the accounts of these companies.

3 Profit on ordinary activities before taxation

The audit fees for the current and preceding period were borne by a subsidiary company.

4 Taxation on profit on ordinary activities

Analysis of tax charge in period

	Year ended 30 September 2007		18 month period ended 30 September 2006	
	£000	£000	£000	£000
<i>UK corporation tax</i>				
Current tax on income for the period		-		-
Adjustments in respect of prior periods		-		46
		<hr/>		<hr/>
Total current tax		-		46
<i>Deferred tax (see note 6)</i>				
Origination/reversal of timing differences	1,063		1,389	
Impact of reduced tax rate	82		-	
Adjustments in respect of prior periods	161		(3,756)	
	<hr/>		<hr/>	
Total deferred tax		1,306		(2,367)
		<hr/>		<hr/>
Tax on profit on ordinary activities		1,306		(2,321)
		<hr/>		<hr/>

Notes (continued)

4 Taxation on profit on ordinary activities (continued)

Factors affecting the tax charge for the current year

The differences between the current tax charge of £Nil (2006 £46,000 charge) and the standard rate of corporation tax in the UK 30% (2006 30%) are explained below

	2007 £000	2006 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	-	10
	<hr/>	<hr/>
Current tax charge at 30% (2006 30%)	-	3
<i>Effects of</i>		
Movement in other timing differences	(22)	(66)
Imputed interest	1,064	1,386
Utilisation of losses	(1,042)	(1,323)
Adjustments to tax charge in respect of previous periods	-	46
	<hr/>	<hr/>
Total current tax charge (see above)	-	46
	<hr/>	<hr/>

5 Fixed asset investments

Details of the operating companies (which are registered in England and Wales) in which the company holds more than 10% of any class of any equity share capital are given below

The investments are held at cost totalling £38,199,000 (2006 £38,199,000) and the companies operate principally in the United Kingdom

Subsidiary undertakings	Proportion of ordinary equity and voting rights held	Nature of business
Electrum (UK) Limited	100%	Holding Company
Marbo Holdings Limited	100%	Holding Company

6 Debtors

	30 September 2007 £000	30 September 2006 £000
<i>Amounts falling due within one year.</i>		
Amounts owed by group undertakings	166,840	166,840
	<hr/>	<hr/>
<i>Amounts falling due after more than one year.</i>		
Deferred tax	1,148	2,454
	<hr/>	<hr/>

Notes (continued)

6 Debtors (continued)

Deferred tax asset

	30 September 2007 £000	30 September 2006 £000
Tax losses and group relief facilities	1,148	2,432
Other timing differences	-	22
	<u>1,148</u>	<u>2,454</u>
Asset at the start of the period	2,454	87
Deferred tax movement in the profit and loss account	(1,306)	2,367
	<u>1,148</u>	<u>2,454</u>
Asset at the end of the period	<u>1,148</u>	<u>2,454</u>

7 Creditors: amounts falling due within one year

	30 September 2007 £000	30 September 2006 £000
Amounts due to group undertakings	105,889	105,889
5% redeemable preference shares	812	812
	<u>106,701</u>	<u>106,701</u>

The 5% cumulative preference shares of £1 each entitle the holder to receive a cumulative preference dividend at the rate of 5% on the paid up capital and the right to return of capital at either a winding up or a repayment of capital

The preference shares are classed as non-equity share capital as they are redeemable shares entitling the holders to participate in the profits or assets of Electrium (2003) Limited

All dividends for the current year and prior years have been waived

Notes (continued)

8 Called up share capital

	30 September 2007 £	30 September 2006 £
Authorised		
300,000 ordinary shares of £1 each	300,000	300,000
1,700,000 ordinary-A shares of £1 each	1,700,000	1,700,000
	<hr/>	<hr/>
	2,000,000	2,000,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
222,000 ordinary shares of £1 each	222,000	222,000
1,660,000 ordinary-A shares of £1 each	1,660,000	1,660,000
	<hr/>	<hr/>
	1,882,000	1,882,000
	<hr/>	<hr/>

9 Reconciliation of movements in shareholders' funds

	Share capital £000	Share premium £000	Capital redemption reserve £000	Profit and loss account £000	Total shareholders' funds 30 September 2007 £000	Total shareholders' funds 30 September 2006 £000
Opening balance	1,882	104,620	1,740	(7,450)	100,792	99,273
Retained profit for the financial Year	-	-	-	(1,306)	(1,306)	2,331
Effect of adoption of FRS 25 on 1 April 2006	-	-	-	-	-	(812)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Closing balance	1,882	104,620	1,740	(8,756)	99,486	100,792
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

10 Ultimate parent undertaking

The ultimate parent undertaking is Siemens AG, incorporated in Germany. Siemens AG is the only parent undertaking of which the Company is a member for which group accounts are prepared. Copies of the group accounts are available on the internet www.siemens.com/annualreport or obtained from

Siemens AG
Wittelsbacherplatz 2
D-80333 Munich
Germany

The immediate parent undertaking is Electrium Limited, a company incorporated in England and Wales