

TERBERG MATEC UK LIMITED

**ABBREVIATED FINANCIAL
STATEMENTS**

31 DECEMBER 1998

Company Number: 3404297



TERBERG MATEC UK LIMITED

INDEX

- 1. DIRECTORS AND OFFICERS**
- 2. – 3. DIRECTORS' REPORT**
- 4. AUDITORS' REPORT**
- 5. PROFIT AND LOSS ACCOUNT**
- 6. BALANCE SHEET**
- 7. – 8. ACCOUNTING POLICIES**
- 9. – 13. NOTES TO THE FINANCIAL STATEMENTS**

TERBERG MATEC UK LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

T J Conlon
Godfried Terberg

SECRETARY

A C van Kats

REGISTERED OFFICE

Leacroft Road
Birchwood
Warrington
Cheshire
WA3 6PJ

AUDITORS

Michael Harwood & Co
Chartered Accountants
Greville House
10 Jury Street
Warwick
CV34 4EW

TERBERG MATEC UK LIMITED**DIRECTORS' REPORT**

The directors submit their report and the financial statements of Terberg Matec UK Limited for the period ended 31 December 1998.

PRINCIPAL ACTIVITIES

UK operations, which had formerly been undertaken as a branch of Terberg Matec BV, were converted into a company registered in the UK. The company was incorporated on 16 July 1997 and took over the operations from 1 January 1998. The principal activity continued to be the sale of bin lifts and the provision of after sales servicing and parts.

REVIEW OF THE BUSINESS

The company is a wholly owned subsidiary of Terberg Beheer BV.

The directors are pleased to report that the company exceeded its targets set by its holding company. This is reflected in the turnover and profitability for the period. No significant changes are anticipated for the future.

RESULTS AND DIVIDENDS

The trading profit for the period after taxation was £468,865.

The directors do not recommend the payment of a dividend.

FIXED ASSETS

The movement in fixed assets that has occurred during the period is shown in note 6 to the financial statements.

DIRECTORS

The directors who held office during the period and their interests in the share capital of the company were as follows:-

	31.12.98	At Incorporation
T J Conlon (British)	-	-
Godfried Terberg (Dutch)	-	-

TERBERG MATEC UK LIMITED

DIRECTORS' REPORT

DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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

A resolution to reappoint Michael Harwood & Co, Chartered Accountants will be put to the members at the annual general meeting.

This report was approved by the Board on 2 March 1999.



T J Conlon
Director

AUDITORS' REPORT TO THE DIRECTORS OF TERBERG MATEC UK LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 13 together with the full statutory accounts of the company for the period ended 31 December 1998 prepared under section 226 of the Companies Act 1985.

Respective Responsibilities of Directors and Auditors

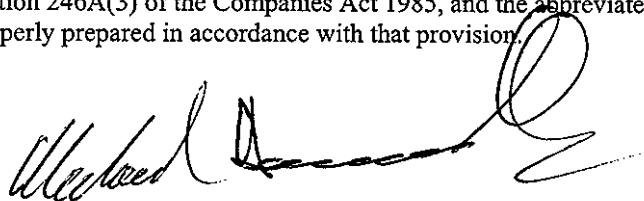
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of Opinion

We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full statutory accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 13 are properly prepared in accordance with that provision.

A handwritten signature in black ink, appearing to read 'Michael Harwood', with a large, stylized flourish extending to the right.

MICHAEL HARWOOD & CO
Chartered Accountants
Registered Auditor
Greville House
10 Jury Street
Warwick
CV34 4EW

2 March 1999

TERBERG MATEC UK LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT**
For the period ended 31 December 1998

	Notes	1998
Gross profit		1,399,650
Administrative expenses		(730,620)
OPERATING PROFIT		<u>669,030</u>
Interest receivable and similar income		16,547
Interest payable and similar charges	1	(2,979)
Profit on foreign exchange		325
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>682,923</u>
Tax on profit on ordinary activities	4	(214,058)
RETAINED PROFIT FOR THE PERIOD AFTER TAXATION	11	<u><u>468,865</u></u>

RECOGNISED GAINS AND LOSSES

There are no other recognised gains or losses other than the profit attributable to the shareholders of the company.

The profit for the period arose from the company's continuing operations.

The notes on pages 7 to 13 form part of these financial statements.

TERBERG MATEC UK LIMITED

ABBREVIATED BALANCE SHEET
31 December 1998

	Notes	1998
FIXED ASSETS		
Tangible assets	5	130,825
CURRENT ASSETS		
Stocks	6	558,141
Debtors	7	719,632
Cash at bank and in hand		1,019,455
		<u>2,297,228</u>
CREDITORS		
Amounts falling due within one year	8	1,771,208
NET CURRENT ASSETS		<u>526,020</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		656,845
PROVISIONS FOR LIABILITIES AND CHARGES	9	87,980
		<u>568,865</u>
SHAREHOLDERS FUNDS		
Called up share capital	10	100,000
Profit and loss account	11	468,865
		<u>568,865</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved on behalf of the board on 2 March 1999.

T J CONLON  Director

GODFRIED TERBERG  Director

The notes on pages 7 to 13 form part of these financial statements.

TERBERG MATEC UK LIMITED**Financial statements for the period ended 31 December 1998****ACCOUNTING POLICIES**

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Fixtures, fittings & Workshop Equipment	- 5 years
Office equipment	- 5 years
Motor vehicles	- 5 years
Computer equipment	- 3 years

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

STOCKS

Stocks and work-in-progress are valued at the lower of cost and net realisable value. Cost of work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange differences arising during the year have been taken to the profit and loss account.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

TERBERG MATEC UK LIMITED
Financial statements for the period ended 31 December 1998

ACCOUNTING POLICIES

PENSIONS

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

TERBERG MATEC UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

For the period ended 31 December 1998

1. INTEREST PAYABLE AND SIMILAR CHARGES

Bank overdraft interest	2,814
Other interest	165
	<u>2,979</u>

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

Operating lease rentals:-

- land and buildings	45,560
- other	27,741

Auditors remuneration

4,950

Exchange profit on foreign currency group balances

(325)

Loss on disposal of fixed assets

863

Depreciation - owned assets

54,587**3. EMPLOYEES****1998
Number**

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

Administration	3
Workshop	13
Sales	5
	<u>21</u>

**1998
£**

Staff costs for the above persons:

Wages and salaries	448,286
Social security costs	44,608
Pension costs:	
Defined contribution scheme costs	11,904
	<u>504,798</u>

DIRECTORS' REMUNERATION

Fees	57,350
Other emoluments (including pension contributions and benefits in kind)	7,726
	<u>65,076</u>
Director's defined pension contributions	<u>3,870</u>

The number of directors to whom retirement benefits are accruing under the money purchase scheme is 1.

TERBERG MATEC UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

For the period ended 31 December 1998

4. TAXATION

Based on the profit of the period:
UK corporation tax at 31%

214,058

5. TANGIBLE FIXED ASSETS

	Fixtures and Fittings	Workshop Equipment	Motor vehicles	Office Equipment	Computer equipment	Total
Cost:						
Acquisitions from parent company	70,790	28,070	119,060	18,017	18,155	254,092
Additions	5,176	118	-	4,116	13,173	22,583
Disposals	-	-	(30,912)	-	-	(30,912)
31 December 1998	75,966	28,188	88,148	22,133	31,328	245,763
Depreciation:						
Acquisitions from parent company	16,979	6,678	40,271	5,975	9,061	78,964
Charge for the period	14,676	5,449	22,806	3,815	7,841	54,587
Disposals	-	-	(18,613)	-	-	(18,613)
31 December 1998	31,655	12,127	44,464	9,790	16,902	114,938
Net book value: 31 December 1998	44,311	16,061	43,684	12,343	14,426	130,825

6. STOCKS

1998

Parts and bin lifts	499,824
Work in progress	58,317
	558,141

7. DEBTORS

Trade debtors	717,040
Prepayments and accrued income	2,592
	719,632

TERBERG MATEC UK LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

For the period ended 31 December 1998

8. CREDITORS	1998
Amounts falling due within one year:	
Trade creditors	124,772
Amounts owed to group undertakings	1,159,057
Taxation and social security costs	245,065
Other creditors	28,256
Corporation tax	214,058
	<u>1,771,208</u>

Included in amounts owed to group undertakings is a loan due to the parent company amounting to £303,556. Interest will be payable at a rate yet to be determined. No interest is payable for 1998.

9. PROVISIONS FOR LIABILITIES AND CHARGES

	Total
Provision acquired from parent company	53,830
Transfer to profit and loss	34,150
	<u>87,980</u>
31 December 1998	

Included within provisions is £22,780 for additional property rentals which would crystallise upon the early termination of the lease.

The remaining provisions relate to warranty costs.

10. SHARE CAPITAL	1998
Authorised:	
100,000 ordinary shares of £1 each	<u>100,000</u>
Allotted, called-up and fully paid 100,000 ordinary shares of £1 each	<u>100,000</u>
During the period the company issued 100,000 £1 ordinary shares at par.	

TERBERG MATEC UK LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

For the period ended 31 December 1998

11. RESERVES

Profit for the period	468,865

31 December 1998	468,865
	=====

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

Issue of shares	100,000
Profit attributable to members of the company	468,865

Net increase and closing shareholders funds	568,865
	=====

13. OPERATING LEASE COMMITMENTS

There are annual commitments under operating leases expiring as follows:

Motor vehicles	
Between 2 and 5 years	27,741
	=====
Land and buildings	
More than 5 years	45,560
	=====

14. RELATED PARTY TRANSACTIONS

The company is wholly owned by its parent company and its results are consolidated into the parent company's financial statements, which are publically available. The directors have relied upon the exemptions conferred by Financial Reporting Standard Number 8 (FRS8) from disclosing transactions with its parent company.

15. PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company and amounted to £11,904. At the year-end contributions payable to the fund amounted to £NIL.

TERBERG MATEC UK LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****For the period ended 31 December 1998**

16. CONTINGENT LIABILITIES**1998**

Forward exchange contracts	1,600,000
----------------------------	-----------

As at 31 December 1998 forward buying of currencies covered only a proportion of the costs for the coming year and, therefore, should the value of the pound fall against the foreign currencies, there could be a loss to the company. The company is contingently liable for any losses incurred if the above contracts are not taken up.

17. CASH FLOW STATEMENT

The directors have relied upon the exemptions conferred by Financial Reporting Statement Number 1 (FRS1) from preparing a cash flow statement.

18. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party is Terberg Beheer BV, which is incorporated in the Netherlands.

The largest group in which the results of the company are consolidated is that headed by Terberg Beheer BV. No other group financial statements include the results of the company.

Copies of the financial statements of Terberg Beheer BV are available from Oranje Nassaustraat 10, Postbus 15, 3405 ZG Benschop.