



ARTHUR ANDERSEN

**Premier Manufacturing Support Services (UK) Limited
(formerly Durr Ecoservice Limited)**

Annual report and accounts 31 December 1999
together with directors' and auditors' reports

Registered number: 3441005



Directors' report

For the year ended 31 December 1999

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report for the year ended 31 December 1999.

Principal activity and business review

The company began trading on 1 January 1999 and its principal activity in the year under review was to provide support services to the motor industry.

The company is an integral part of its immediate parent company's operations, Durr Limited.

Results and dividends

Results and dividends were as follows:

	£'000
Profit for financial year	<u>170</u>

The company will not pay a dividend for 1999.

Directors and their interests

The directors, all of whom are British, who served during the year and subsequently were as follows:

J T Barlow
F P P Clancy
G M Kehoe
G G Quinn (appointed 1 October 1999)

The directors have no interests in the share capital of the company.

Name change

On 20 December 1999 the company changed its name from Durr Ecoservice Limited to Premier Manufacturing Support Services (UK) Limited.

Directors' report (continued)

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 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 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.

Year 2000

The company experienced no disruption of operations following the rollover of computer systems to the Year 2000 date, due to preventative measures taken. The costs did not materially add to general operating and capital expenditure. The directors are continuing to monitor this issue closely.

Auditors

Arthur Andersen were appointed auditors for the year ended 31 December 1999 and the directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Broxell Close
Warwick
Warwickshire
CV34 5QF

By order of the Board,



J T Barlow

Director

31 March 2000

To the Shareholders of Premier Manufacturing Support Services (UK) Limited (formerly Durr Ecoservice Limited):

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

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, 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 affairs of the company at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

1 Victoria Square
Birmingham
B1 1BD

31 March 2000

Profit and loss account

For the year ended 31 December 1999

	Notes	1999 £'000	1998 £'000
Turnover	2	4,189	-
Cost of sales		(3,007)	-
Gross profit		1,182	-
Administrative expenses		(761)	-
Distribution costs		(249)	-
Operating profit		172	-
Finance charges net	4	74	-
Profit on ordinary activities before taxation	5	246	-
Tax on profit on ordinary activities	7	(76)	-
Retained profit for the year	14	170	-

The accompanying notes are an integral part of this profit and loss account.

All turnover and operating profit arose from continuing activities.

There were no recognised gains or losses other than the retained profit for the year.

Balance sheet

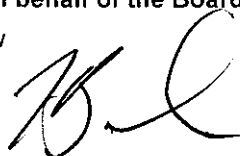
31 December 1999

	Notes	1999 £'000	1998 £'000
Fixed assets			
Tangible assets	8	23	-
Current assets			
Stocks	9	439	-
Debtors	10	1,677	50
Cash at bank and in hand		2	-
		2,118	50
Creditors: Amounts falling due within one year	11	(1,921)	-
Net current assets		197	50
Net assets		220	50
Capital and reserves			
Called-up share capital	13	50	50
Profit and loss account	14	170	-
Shareholders' funds - all equity	15	220	50

The accompanying notes are an integral part of this balance sheet.

Signed on behalf of the Board,

J T Barlow



Director

31 March 2000

Notes to accounts

31 December 1999

1 Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year.

a) Basis of accounting

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

In accordance with Financial Reporting Standard 1 (Revised), the company has not presented a cash flow statement as more than 90% of its voting rights are controlled within the group and consolidated accounts in which the results of this company are included are publicly available.

b) Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

c) Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Computer equipment	33.33% on cost
Fixtures and fittings	20% on reducing balance

d) Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term, even if payments are not made on such a basis.

e) Stocks and work in progress

Stocks are valued at the lower of costs and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

f) Taxation

Corporation tax payable is provided on taxable profits at the current rate. Under group arrangements, where losses are made by a company which can be relieved against taxable profits made by another group company, these losses are surrendered, and paid for by the benefiting company.

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Notes to accounts (continued)

1 Accounting policies (continued)

g) Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those prevailing at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

h) Pensions

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

2 Segment information

All of the company's turnover derives from its principal activity in the UK. Analysis of turnover by geographical destination is as follows:

	1999 £'000	1998 £'000
United Kingdom	4,044	-
Rest of Europe	145	-
	<hr/> 4,189	<hr/> -

3 Staff costs

The average monthly number of employees was:

	1999 Number	1998 Number
Design and construction	19	-
Sales and marketing	3	-
Administration	1	-
	<hr/> 23	<hr/> -

Notes to accounts (continued)

3 Staff costs (continued)

Their aggregate remuneration comprised:

	1999 £'000	1998 £'000
Wages and salaries	825	-
Social security costs	80	-
Pension costs	40	-
	<u>945</u>	<u>-</u>

4 Finance charges (net)

Interest receivable and similar income

	1999 £'000	1998 £'000
Other interest receivable and similar income	<u>75</u>	<u>-</u>

Interest payable and similar charges

	1999 £'000	1998 £'000
Bank loans and overdrafts	<u>(1)</u>	<u>-</u>

Finance charges (net)

	1999 £'000	1998 £'000
Interest payable and similar charges	75	-
Interest receivable and similar income	<u>(1)</u>	<u>-</u>
	<u>74</u>	<u>-</u>

Notes to accounts (continued)

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	1999 £'000	1998 £'000
Operating leases		
- plant and equipment	34	-
Depreciation of tangible fixed assets		
- owned assets	14	-
Auditors' remuneration for audit services	5	-
	<hr/>	<hr/>

Amounts payable to Arthur Andersen in respect of non-audit services were £2,000.

6 Directors' remuneration

	1999 £'000	1998 £'000
Directors' emoluments	142	-
Company contributions to money purchase schemes	7	-
	<hr/>	<hr/>

7 Taxation on profit on ordinary activities

The tax charge for the year comprises:

	1999 £'000	1998 £'000
UK corporation tax (at 30.25%)	76	-
	<hr/>	<hr/>

The number of directors who were members of pension schemes are as follows:

	1999 Number	1998 Number
Money purchase scheme	1	-
	<hr/>	<hr/>

Notes to accounts (continued)

8 Tangible fixed assets

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 1999	-	-	-
Transfers from group companies	6	31	37
At 31 December 1999	6	31	37
Depreciation			
At 1 January 1999	-	-	-
Charge for year	3	11	14
At 31 December 1999	3	11	14
Net book value			
At 1 January 1999	-	-	-
At 31 December 1999	3	20	23

9 Stocks

	1999 £'000	1998 £'000
Raw materials	372	-
Work in progress	67	-
	439	-

There is no material difference between the replacement cost of the raw material stock and its balance sheet value, in the opinion of the directors.

10 Debtors

Amounts falling due within one year:

	1999 £'000	1998 £'000
Trade debtors	1,393	-
Amounts owed by group undertakings	46	50
Other debtors	238	-
	1,677	50

Notes to accounts (continued)

11 Creditors: Amounts falling due within one year

	1999 £'000	1998 £'000
Bank overdrafts	8	-
Trade creditors	365	-
Amount due to group undertakings	923	-
UK corporation tax	76	-
Other taxation and social security	190	-
Other creditors	359	-
	<u>1,921</u>	<u>-</u>

The amounts owed to group undertakings are unsecured and interest free. Bank overdraft is unsecured.

12 Deferred taxation

There was no unprovided deferred taxation at the end of the year.

13 Called up share capital

	1999 £'000	1998 £'000
<i>Authorised</i>		
50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>
<i>Allotted, called up and fully paid</i>		
50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>

14 Profit and loss account

	£'000
At 1 January 1999	-
Retained profit for the year	<u>170</u>
At 31 December 1999	<u>170</u>

15 Reconciliation of movements in shareholders' funds

	1999 £'000
Profit for the financial year	170
Opening shareholders' funds	<u>50</u>
Closing shareholders' funds	<u>220</u>

Notes to accounts (continued)

16 Pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £40,000.

17 Financial commitments

There were no financial commitments at the year end.

18 Related party transactions

In accordance with Financial Reporting Standard 8, transactions with other members of the group headed by Durr AG are not disclosed because more than 90% of the voting rights of the company are controlled within this group for which consolidated accounts are publicly available.

19 Ultimate parent company

The company is a subsidiary undertaking of Durr Limited, registered in England and Wales. Its ultimate parent company is Durr AG, registered in Germany.

The only group in which the results of Premier Manufacturing Support Services (UK) Limited are consolidated is that headed by Durr AG, whose principal place of business is at Otto-Durr-Strasse 9, 70435 Stuttgart, Germany. Consolidated accounts are available to the public from the above address.