



**Premier Manufacturing Support Services (UK) Limited**

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

Registered number: 3441005



## **Directors' report**

For the year ended 31 December 2001

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 December 2001.

### **Principal activity**

The principal activity of the company continues to be the provision of support services to the motor industry.

### **Business review**

The directors expect the general level of activity to continue at the current profitability levels.

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

### **Results and dividends**

The audited accounts for the year ended 31 December 2001 are set out on pages 5 to 15. The profit for the year before taxation was £313,000 (2000 - £57,000).

The directors do not recommend payment of a dividend (2000 - £Nil).

### **Directors and their interests**

The directors who served during the year and subsequently were as follows:

G M Kehoe

G G Quinn

F P P Clancy (resigned 30 March 2001, appointed 1 August 2001)

H J Nieman (American) (appointed 3 September 2001)

R R Fulton (resigned 15 August 2001)

H Gerst (German) (resigned 1 August 2001))

None of the directors had any interests required to be disclosed under Schedule 7 of the Companies Act 1985.

## Directors' report (continued)

### Directors' responsibilities

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 for that period. In preparing those financial statements, 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 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 which 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.

Broxell Close  
Warwick  
Warwickshire  
CV34 5QF

By order of the Board,



G M Kehoe

Director

28 May 2002

**To the shareholders of Premier Manufacturing Support Services (UK) Limited**

We have audited the financial statements of Premier Manufacturing Support Services (UK) Limited for the year ended 31 December 2001 which comprise the Profit and loss account, balance sheet and the related notes numbered 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Directors' report. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and the United Kingdom Auditing Standards.

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 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 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. Our responsibilities do not extend to any other information.

**Basis of audit 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 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 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 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 (continued)

### Opinion

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

*Arthur Andersen*

**Arthur Andersen**

**Chartered Accountants and Registered Auditors**

Four Brindleyplace

Birmingham

B1 2HZ

28 May 2002

## Profit and loss account

For the year ended 31 December 2001

	Notes	2001 £'000	2000 £'000
<b>Turnover</b>	2	10,032	6,125
Cost of sales		(8,962)	(5,265)
<b>Gross profit</b>		1,070	860
Administrative expenses		(384)	(384)
Distribution costs		(278)	(414)
<b>Operating profit</b>		408	62
Finance charges, net	4	(95)	(5)
<b>Profit on ordinary activities before taxation</b>	5	313	57
Tax on profit on ordinary activities	6	(92)	(49)
<b>Retained profit for the year</b>	15	221	8

There are no recognised gains or losses in either year other than the profit for that year.

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

# Balance sheet

31 December 2001

	Notes	2001 £'000	2000 £'000
<b>Fixed assets</b>			
Tangible assets	7	<u>1,692</u>	<u>80</u>
<b>Current assets</b>			
Stocks	8	27	1,494
Debtors	9	3,031	2,604
Cash at bank and in hand		<u>1</u>	<u>19</u>
		3,059	4,117
<b>Creditors: Amounts falling due within one year</b>	10	<u>(2,887)</u>	<u>(3,969)</u>
<b>Net current assets</b>		<u>172</u>	<u>148</u>
<b>Total assets less current liabilities</b>		1,864	228
<b>Creditors: Amounts falling due after more than one year</b>	11	<u>(1,415)</u>	<u>-</u>
<b>Net assets</b>		<u>449</u>	<u>228</u>
<b>Capital and reserves</b>			
Called-up share capital	13	50	50
Profit and loss account	14	<u>399</u>	<u>178</u>
<b>Shareholders' funds - all equity</b>	15	<u>449</u>	<u>228</u>

The financial statements on pages 5 to 15 were approved by the board of directors on 28 May 2002 and signed on its behalf by:

G M Kehoe

Director



28 May 2002

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

## Notes to the financial statements

31 December 2001

### 1 Accounting policies

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

#### *a) Basis of accounting*

The financial statements 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 amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

#### *c) Long-term contracts*

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

#### *d) Tangible fixed assets*

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, as follows:

Plant and equipment	10 years on a straight-line basis
Computer equipment	33 <sup>1</sup> / <sub>3</sub> % on a straight-line basis
Fixtures and fittings	20% on reducing balance

Residual value is calculated on prices prevailing at the date of acquisition.



## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### e) Leases

Assets held under finance leases which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

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

#### f) Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### g) Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### h) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### i) 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. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### 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:

	2001 £'000	2000 £'000
United Kingdom	10,032	6,116
Rest of Europe	-	9
	<u>10,032</u>	<u>6,125</u>

### 3 Staff costs

The average monthly number of employees including executive directors was:

	2001 Number	2000 Number
Production support	405	230
Sales and marketing	2	2
Administration	3	2
	<u>410</u>	<u>234</u>

Their aggregate remuneration comprised:

	2001 £'000	2000 £'000
Wages and salaries	5,921	3,082
Social security costs	514	242
Pension costs	54	55
	<u>6,489</u>	<u>3,379</u>

## Notes to the financial statements (continued)

### 3 Staff costs (continued)

The directors' remuneration comprised:

	2001 £'000	2000 £'000
Directors' emoluments	169	170
Company contributions to money purchase pension schemes	13	12
	<u>182</u>	<u>182</u>

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

	2001 Number	2000 Number
Money purchase scheme	<u>2</u>	<u>2</u>

### 4 Finance charges (net)

*Interest receivable and similar income*

	2001 £'000	2000 £'000
Other interest receivable and similar income	<u>59</u>	<u>-</u>

*Interest payable and similar charges*

	2001 £'000	2000 £'000
Bank loans and overdrafts	(111)	(5)
Finance leases	(43)	-
	<u>(154)</u>	<u>(5)</u>

## Notes to the financial statements (continued)

### 5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2001 £'000	2000 £'000
Depreciation of tangible fixed assets		
- owned assets	41	21
- held under finance leases	137	-
Operating leases		
- plant and equipment	96	89
Auditors' remuneration for audit services	7	7
	<u>7</u>	<u>7</u>

Amounts payable to Arthur Andersen in respect of non-audit services were £3,000 (2000 - £3,000).

### 6 Taxation on profit on ordinary activities

The tax charge (credit) comprises:

	2001 £'000	2000 £'000
<b>Current tax</b>		
UK corporation tax	98	-
Adjustment in respect of prior years		-
- current taxation	(6)	32
Amounts payable for group relief	-	17
	<u>-</u>	<u>17</u>
<b>Total current tax being tax on profit on ordinary activities</b>	<u>92</u>	<u>49</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2001 £'000	2000 £'000
<b>Profit on ordinary activities before tax</b>	<u>313</u>	<u>57</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2000 - 30%)	94	17
Effects of:		
Expenses not deductible for tax purposes	4	3
Group relief received	-	(17)
Payments made for group relief received	-	17
Capital allowances in excess of depreciation	-	(3)
Adjustments to tax charge in respect of previous periods	(6)	32
	<u>(6)</u>	<u>32</u>
<b>Current tax charge for period</b>	<u>92</u>	<u>49</u>

# Notes to the financial statements (continued)

## 7 Tangible fixed assets

	Plant and equipment £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2001	-	108	108
Additions	1,644	126	1,770
Transfers from group companies	-	34	34
At 31 December 2001	1,644	268	1,912
<b>Depreciation</b>			
At 1 January 2001	-	28	28
Charge for year	137	41	178
Transfers from group companies	-	14	14
At 31 December 2001	137	83	220
<b>Net book value</b>			
At 1 January 2001	-	80	80
At 31 December 2001	1,507	185	1,692

Leased assets included in the above:

	Plant and equipment £'000	Total £'000
<b>Net book value</b>		
At 31 December 2001	1,507	1,507
At 31 December 2000	-	-

## 8 Stocks

	2001 £'000	2000 £'000
Raw materials	9	97
Long-term contract balances		
Net cost less foreseeable losses	18	1,397
	27	1,494

There is no material difference between the balance sheet value of stocks and their replacement cost.

## Notes to the financial statements (continued)

### 9 Debtors

	2001 £'000	2000 £'000
Amounts falling due within one year:		
Trade debtors	2,420	2,060
Amounts owed by group undertakings	288	51
Other debtors	323	493
	<u>3,031</u>	<u>2,604</u>

### 10 Creditors: Amounts falling due within one year

	2001 £'000	2000 £'000
Obligations under finance leases and hire purchase contracts	126	-
Bank overdrafts (unsecured)	352	655
Trade creditors	232	253
Amount due to group undertakings	58	2,124
UK corporation tax	142	-
Other taxation and social security	689	89
Other creditors	1,288	848
	<u>2,887</u>	<u>3,969</u>

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

## Notes to the financial statements (continued)

### 11 Creditors: Amounts falling due after more than one year

	2001 £'000	2000 £'000
Obligations under finance leases and hire purchase contracts	<u>1,415</u>	<u>-</u>

Borrowings are repayable as follows:

	2001 £'000	2000 £'000
<b>Finance leases</b>		
Between one and two years	137	-
Between two and five years	487	-
After five years	<u>791</u>	<u>-</u>
	1,415	-
On demand or within one year	<u>126</u>	<u>-</u>
	<u>1,541</u>	<u>-</u>

### 12 Provisions for liabilities and charges

There is no deferred tax liability in either year.

### 13 Called-up share capital

	2001 £'000	2000 £'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 2001	178
Retained profit for the year	<u>221</u>
At 31 December 2001	<u>399</u>

## Notes to the financial statements (continued)

### 15 Reconciliation of movements in shareholders' funds

	2001 £'000	2000 £'000
Profit for the financial year	221	8
Opening shareholders' funds	228	220
Closing shareholders' funds	449	228

### 16 Pension arrangements

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 £54,000 (2000 - £55,000).

### 17 Financial commitments

#### *Lease commitments*

The company has entered into non-cancellable operating leases in respect of plant and equipment, the payments for which extend over a number of years. The total annual rental for the year was £96,000 (2000 - £89,000).

The minimum annual rentals under the foregoing leases are as follows:

	2001 £'000	2000 £'000
Operating leases which expire		
- within one year	11	12
- between two and five years	42	77
	53	89

### 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 financial statements are available to the public from the above address.