

Silentbloc UK Limited

Annual report

for the year ended 31 December 2002

Registered number: 3456907



Silentbloc UK Limited

Annual report for the year ended 31 December 2002

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Silentbloc UK Limited

Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements for the year ended 31 December 2002.

Principal activities

The Company's principal activity was the manufacture and sale of metal to rubber bonded products, principal markets being the engineering and rail industries.

Review of business and future developments

The directors are satisfied with the performance of the Company in 2002 and anticipate modest sales growth in 2003.

Dividends

The directors do not recommend the payment of a dividend.

Directors and their interests

The directors who held office during the year are given below:

Mr G A Lacey
Dr F A Cutri
Mr N C Wharmby

None of the directors above held any shares in Silentbloc UK Limited at 31 December 2002. Mr G A Lacey, Dr F A Cutri and Mr N C Wharmby are directors of Silvertown Holdings Limited, the ultimate parent company at 31 December 2002. Their interests in shares of Silvertown Holdings Limited are disclosed in the report and accounts of that company.

Employees

The Company's policy is to consult and discuss with employees, through Unions, staff councils and at meetings, matters that are likely to affect employee's interests.

The Company has an established policy to encourage the employment of disabled persons wherever this is practicable. Arrangements are made wherever possible for retraining employees who become disabled to enable them to perform work identified as appropriate to their aptitude and abilities.

Silentbloc UK Limited

Directors' report for the year ended 31 December 2002 (continued)

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that year.

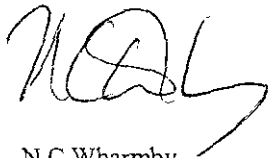
The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2002. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company, and to prevent and detect 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 14 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the annual general meeting.

By order of the board



N C Wharmby
Company Secretary

Independent auditors' report to the members of Silentbloc UK Limited

We have audited the financial statements on pages 4 to 15.

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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to 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.

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Nottingham

11 March 2003

Silentbloc UK Limited

Profit and loss account for the year ended 31 December 2002

	Notes	2002 £'000	2001 £'000
Turnover		4,698	4,785
Operating costs – pre exceptionals	4	(4,268)	(4,482)
Exceptional operating costs	4	-	(205)
		(4,268)	(4,687)
Operating profit	6	430	98
Interest payable and similar charges	7	-	(320)
Profit/(loss) on ordinary activities before taxation		430	(222)
Tax on profit/(loss) on ordinary activities	8	60	-
Retained profit/(loss) for the financial period	16	490	(222)

The profits/(losses) for the current and prior year are derived from continuing operations.

The Company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

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

Exceptional costs in the prior year related to provisions for the impairment of goodwill.

Silentbloc UK Limited

Balance sheet as at 31 December 2002

	Notes	2002 £'000	2001 £'000
Fixed assets			
Intangible fixed assets	9	-	-
Tangible assets	10	1,155	1,346
		1,155	1,346
Current assets			
Stocks	11	300	307
Debtors	12	1,019	821
		1,319	1,128
Creditors: amounts falling due within one year	13	(959)	(1,449)
Net current assets/(liabilities)		360	(321)
Total assets less current liabilities		1,515	1,025
Net assets		1,515	1,025
Capital and reserves			
Share capital	15	1	1
Share premium	16	549	549
Profit and loss account	16	965	475
Total equity shareholders' funds	17	1,515	1,025

The financial statements on pages 4 to 15 were approved by the board of directors on 7 March 2003 and were signed on its behalf by:


G A Lacey
Director

Silentbloc UK Limited

Notes to the financial statements for the year ended 31 December 2002

1 Principal accounting policies

Basis of accounting

These financial statements have been prepared under the historical cost convention in accordance with applicable UK Accounting Standards.

Turnover

Turnover is the amount derived from the sale of goods or services falling within the Company's ordinary activities excluding trade discounts and sales taxes.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

Until the 30 June 2001 the cost of providing pensions and other post retirement benefits were charged to the profit and loss account so as to spread the cost of pensions over the service lives of the participating employees. The costs were assessed in accordance with actuarial advice.

As of 1 July 2001 the company makes payments to a defined contribution pension scheme. The company's liability to pension costs in respect of service is limited to the value of contributions made which are charged to the profit and loss account in the period in which they fall due.

Research and development

Research and development expenditure is expensed as incurred, except where a major project is undertaken and it is reasonably certain to assume that such development expenditure will be recovered from future revenues generated by those newly developed products.

No deferred costs of this nature are held within the balance sheet as at 31 December 2002.

Taxation

Provision is made for deferred tax liabilities on all material differences resulting from the different treatment for accounting and taxation purposes using currently enacted tax rates. No discounting is applied to the deferred tax timing differences. Deferred tax assets arising from timing differences are only recognised to the extent their recovery is considered more likely than not in the light of available information.

Tangible fixed assets and depreciation

Tangible fixed assets are depreciated over their estimated useful economic lives at the following rates applied to historical cost or subsequent valuation:

Plant and machinery and equipment	5% -33.5%
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Silentbloc UK Limited

Notes to the financial statements for the year ended 31 December 2002 (continued)

1 Principal accounting policies (continued)

Goodwill

Goodwill, representing the premium of the purchase price of a business over the fair value of the separable net assets acquired, is capitalised as an intangible asset. Goodwill is amortised to the profit and loss account on a straight line basis over its useful life, which has been estimated to be 20 years, unless it has been considered to have suffered an impairment in which case provision is made and charged to the profit and loss account.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes an appropriate proportion of the relevant production overheads.

Foreign currencies

Monetary assets and liabilities denominated in foreign currency are translated into sterling at rates of exchange ruling at the end of the financial period and transactions are recorded at the rate of exchange relevant to the date of the transaction or a relevant forward contract rate. Exchange differences are taken to the profit and loss account in the period in which they arise.

Finance issue costs

Finance issue costs including the costs of raising and arranging borrowing and underwriting fees, are charged to the profit and loss account over the duration of the finance at a constant rate on the net capital outstanding at the period end. The capital outstanding is reported after deduction of finance issue costs.

2 Cash flow statement

The Company was a wholly owned subsidiary of Silvertown Holdings Limited at 31 December 2002 and is included in the consolidated financial statements of Silvertown Holdings Limited. Consequently, the Company has taken advantage of the exemptions from preparing a cash flow statement under the terms of Financial Reporting Standard Number 1 (Revised 1996).

3 Segmental reporting

The directors have taken advantage of the exemption under Section 55(2) of the Companies Act 1985 from disclosure of segmental reporting on the grounds that such disclosure would be prejudicial to the Company's interests.

Silentbloc UK Limited

Notes to the financial statements for the year ended 31 December 2002 (continued)

4 Operating costs

	2002	2001
	£'000	£'000
Raw materials and consumables	1,056	1,228
(Increase)/decrease in stocks and work-in-progress	(7)	(6)
Depreciation and amortisation	246	483
Distribution costs (net of recharges)	61	47
Administrative expenses	2,912	2,940
Other operating income	-	(5)
Operating costs	4,268	4,687

5 Employees numbers and staff costs

	2002	2001
	Number	Number
By activity:		
Manufacturing	54	50
Administrative	10	10
Total	64	60

	2002	2001
	£'000	£'000
Operating profit is stated after charging/(crediting):		
Staff costs:		
Wages and salaries	1,123	1,040
Social security costs	97	87
Other pension costs	28	37
Staff costs	1,248	1,164

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Notes to the financial statements for the year ended 31 December 2002 (continued)

6 Operating profit

Operating profit is stated after charging:

	2002	2001
	£'000	£'000
Depreciation of tangible fixed assets – owned	246	278
Operating lease rentals – land & buildings	100	100
Provision for impairment of tangible fixed assets	-	205
Loss on disposal of fixed assets	4	-
Directors' remuneration	-	-

Auditors' remuneration in respect of audit fees were met by another Group Company

7 Interest payable and similar charges

	2002	2001
	£'000	£'000
Interest payable on overdrafts and bank loans	-	300
Other interest payable (including finance issue costs)	-	20
	-	320

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Notes to the financial statements for the year ended 31 December 2002 (continued)

8 Tax on profit on ordinary activities

Analysis of charge in year

	2002	2001
	£'000	£'000
Current tax		
UK corporation tax on profits of the year	-	-
Amount paid to fellow subsidiaries in respect of tax saved by group relief	-	-
Adjustment in respect of prior years	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(60)	-
Total deferred tax (note 14)	(60)	-
Tax on profit on ordinary activities	(60)	-

Factors affecting tax charge for the year

	2002	2001
	£'000	£'000
Profit on ordinary activities at standard rate of UK tax of 30% (2001: 30%)	117	(45)
Expenses not deductible for tax purposes	(10)	-
Accelerated capital allowances and other timing differences	(86)	123
Group relief (claimed) not paid	(21)	(78)
Current tax charge for the year	-	-

There is no tax charge arising, in the prior year, due to the surrender of taxable losses from other group companies.

Silentbloc UK Limited

Notes to the financial statements for the year ended 31 December 2002 (continued)

9 Intangible assets

	Goodwill £'000
Cost	
At 1 January 2002 and at 31 December 2002	109
Amortisation	
At 1 January 2002 and at 31 December 2002	109
Net book value	
At 31 December 2001 and at 31 December 2002	-

10 Tangible assets

	Plant, and equipment £'000
Cost or valuation	
At 1 January 2002	5,040
Additions	100
Disposals	(329)
Transfer between Group Companies	(412)
At 31 December 2002	4,399
Accumulated depreciation	
At 1 January 2002	3,694
Charge for the year	246
Disposals	(325)
Transfer between Group Companies	(371)
At 31 December 2002	3,244
Net book value	
At 31 December 2002	1,155
At 31 December 2001	1,346

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Notes to the financial statements for the year ended 31 December 2002 (continued)

10 Tangible assets (continued)

	2002	2001
	£'000	£'000
<hr/>		
Future capital expenditure contracted for but not provided in the accounts		
Contracts placed for future expenditure	6	11
<hr/>		

11 Stocks

	2002	2001
	£'000	£'000
<hr/>		
Raw materials and consumables	42	28
Works in progress	198	251
Finished goods	60	28
	300	307
<hr/>		

12 Debtors

	2002	2001
	£'000	£'000
<hr/>		
Trade debtors	918	805
Other debtors	22	15
Prepayments and accrued income	19	1
Deferred Taxation (note 14)	60	-
	1,019	821
<hr/>		

Silentbloc UK Limited

Notes to the financial statements for the year ended 31 December 2002 (continued)

13 Creditors: amounts falling due within one year

	2002	2001
	£'000	£'000
Trade creditors	183	277
Due to group undertakings	684	1,085
Taxation and social security	27	41
Other creditors	19	13
Accruals and deferred income	46	33
	959	1,449

14 Deferred taxation

	£'000
At 1 January 2002	-
Transfer from profit and loss account	(60)
At 31 December 2002	(60)

Deferred taxation recognised in the financial statements and the amounts unrecognised are as follows:

	Amount recognised		Amount unrecognised	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Accelerated capital allowances	(60)	-	(221)	(344)
Others	-	-	-	-
Deferred tax asset	(60)	-	(221)	(344)

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Notes to the financial statements for the year ended 31 December 2002 (continued)

15 Share capital

	2002	2001
	£'000	£'000
Allotted, authorised and issued		
550 Ordinary shares of £1 each	1	1

16 Reserves

	Share premium	Profit and loss
	£'000	£'000
At 1 January 2002	549	475
Profit for the year	-	490
At 31 December 2002	549	965

17 Reconciliation of movements in shareholders' funds

	2002	2001
	£'000	£'000
Profit/(loss) for the financial period	490	(222)
Shareholders' funds as at 1 January 2002	1,025	1,247
Shareholders' funds as at 31 December 2002	1,515	1,025

18 Operating lease commitments

	Land and buildings	
	2002	2001
	£'000	£'000
Annual commitments under operating leases:		
Over five years	100	100

Silentbloc UK Limited

Notes to the financial statements for the year ended 31 December 2002 (continued)

19 Contingent liabilities

The company has a cross guarantee in respect of loans and bank borrowing with fellow group undertakings, which amounted to £2,806,000 at 31 December 2002 (2001: £3,183,000).

20 Pension commitments

Until the 30 June 2001 the Company's eligible employees were members of the UniPoly UK Pension Plan; a group defined benefit scheme which was funded by the Company and employee contributions. Company contributions, which normally represented the charge for the year, were determined on an actuarial basis so that the annual charge was a substantially level percentage of current and expected future pensionable payroll. The level of contributions was assessed on the advice of qualified actuaries.

With effect from 1 July 2001 the company made payments to a defined contribution pension scheme. The company's liability to pension costs in respect of service is limited to the value of contributions made which are charged to the profit and loss account in the period in which they fall due.

The pension contributions to the scheme were £27,922. No amounts were either prepaid or accrued at the year end.

21 Related party transactions

Related party transactions with other group companies are not disclosed under the exemption in FRS 8 for subsidiaries at least 90% owned by their ultimate parent company.

22 Ultimate parent undertaking

The ultimate parent undertaking and controlling party at 31 December 2002 was Silvertown Holdings Limited, a Company incorporated in the United Kingdom. Copies of Silvertown Holdings Limited's accounts can be obtained from the Registrar of Companies. No one party is considered to be the ultimate controlling party of Silvertown Holdings Limited.