

**Registered no: 3456907**

**Silentbloc UK Limited**

**Annual report**

**for the year ended 31 December 2001**



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# **Silentbloc UK Limited**

## **Annual report for the year ended 31 December 2001**

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## **Directors' report for the year ended 31 December 2001**

The directors present their report and the audited financial statements for the year ended 31 December 2001.

### **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**

Turnover has improved slightly from the prior year and the directors are satisfied with the performance of the Company in 2001. Modest sales growth is anticipated in 2002.

On 5 January 2001 the company was acquired from Unipoly Industrials BV by Silvertown Holdings Ltd.

### **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 L Cant	(resigned 5 January 2001)
Mr K J Chave	(resigned 5 January 2001)
Mr W T Minick	(resigned 5 January 2001)
Mr G A Lacey	(appointed 5 January 2001)
Dr F A Cutri	(appointed 5 January 2001)
Mr N C Wharmby	(appointed 5 January 2001)

None of the directors above held any shares in Silentbloc UK Limited at 31 December 2001. 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 2001. Their interests in shares of Silvertown Holdings Limited are disclosed in the report and accounts of that company.

**Directors' report  
for the year ended 31 December 2001 (continued)**

**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.

**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 2001. 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.

**By order of the board**

A handwritten signature in black ink, appearing to read 'N C Wharmby', with a stylized flourish at the end.

**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 13.

### **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.

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 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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Nottingham 29 April 2002

**Profit and loss account  
for the year ended 31 December 2001**

	Notes	2001 £'000	2001 £'000	2000 £'000	2000 £'000
Turnover			4,785		4,670
Operating costs – pre exceptionals	4	(4,482)		(3,932)	
Exceptional operating costs	4	<u>(205)</u>		<u>(92)</u>	
			<u>(4,687)</u>		<u>(4,024)</u>
Operating profit	6		98		646
Interest payable and similar charges	7		<u>(320)</u>		<u>(270)</u>
(Loss)/Profit on ordinary activities before taxation			(222)		376
Tax on (loss)/profit on ordinary activities	8		<u>-</u>		<u>-</u>
Retained (Loss)/profit for the financial period	16		<u>(222)</u>		<u>376</u>

The (losses)/profits 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 losses above, and therefore no separate statement of total recognised gains and losses has been presented.

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

**Balance sheet  
as at 31 December 2001**

	Notes	2001 £'000	2001 £'000	2000 £'000	2000 £'000
<b>Fixed assets</b>					
Intangible fixed assets	9	-		-	
Tangible assets	10	<u>1,346</u>	<u>1,346</u>	<u>1,596</u>	<u>1,596</u>
<b>Current assets</b>					
Stocks	11	307		401	
Debtors	12	<u>821</u>		<u>2,546</u>	
			1,128		2,947
<b>Creditors: amounts falling due within one year</b>	13		<u>(1,449)</u>		<u>(3,296)</u>
<b>Net current liabilities</b>			<u>(321)</u>		<u>(349)</u>
<b>Total assets less current liabilities</b>			1,025		1,247
<b>Net assets</b>			<u>1,025</u>		<u>1,247</u>
<b>Capital and reserves</b>					
Share capital	15		1		1
Share premium	16		549		549
Profit and loss account	16		<u>475</u>		<u>697</u>
<b>Total equity shareholders' funds</b>	17		<u>1,025</u>		<u>1,247</u>

The financial statements on pages 4 to 13 were approved by the board of directors on 29 April 2002 and were signed on its behalf by:



**G A Lacey  
Director**

**Notes to the financial statements  
for the year ended 31 December 2001****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 2001.

**Taxation**

Deferred taxation in respect of significant timing differences is provided for where such liabilities are expected to arise in the foreseeable future.



**Notes to the financial statements  
for the year ended to 31 December 2001 (continued)****1 Principal accounting policies (continued)****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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**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 and related party disclosures**

The Company was a wholly owned subsidiary of Silvertown Holdings Limited at 31 December 2001 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). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Silvertown Holdings Limited or investees of the Silvertown Holdings Limited.

**Notes to the financial statements  
for the year ended 31 December 2001 (continued)**

**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.

**4 Operating costs**

	2001 Pre-exceptional £'000	2001 Exceptional £'000	2001 Total £'000	2000 £'000
Raw materials and consumables	1,228	-	1,228	971
(Increase)/decrease in stocks and work-in-progress	(6)	-	(6)	(105)
Depreciation and amortisation	278	205	483	382
Distribution costs (net of recharges)	47	-	47	10
Administrative expenses	2,940	-	2,940	2,773
Other operating income	(5)	-	(5)	(7)
<b>Operating costs</b>	<b><u>4,482</u></b>	<b><u>205</u></b>	<b><u>4,687</u></b>	<b><u>4,024</u></b>

Exceptional operating costs relate to provisions for the impairment of goodwill.

**5 Employees numbers and staff costs**

	2001 Number	2000 Number
<b>By activity:</b>		
Manufacturing	50	49
Administrative and other	<u>10</u>	<u>10</u>
<b>Total</b>	<b><u>60</u></b>	<b><u>59</u></b>
	2001 £'000	2000 £'000
<b>Operating profit is stated after charging/(crediting):</b>		
Staff costs:		
Wages and salaries	1,040	1,012
Social security costs	87	89
Other pension costs	<u>37</u>	<u>92</u>
<b>Staff costs</b>	<b><u>1,164</u></b>	<b><u>1,193</u></b>

**Notes to the financial statements  
for the year ended to 31 December 2001 (continued)****6 Operating profit**

Operating profit is stated after charging:

	2001 £'000	2000 £'000
Depreciation of tangible fixed assets – owned	278	285
Operating lease rentals – land & buildings	100	100
Provision for impairment of intangible fixed assets	-	92
Provision for impairment of tangible fixed assets	205	-
Profit on disposal of fixed assets	-	-
Directors' remuneration	<u>-</u>	<u>-</u>

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

**7 Interest payable and similar charges**

	2001 £'000	2000 £'000
Interest payable on overdrafts and bank loans	300	270
Other interest payable (including finance issue costs)	<u>20</u>	<u>-</u>
	<u>320</u>	<u>270</u>

**8 Tax on profit on ordinary activities**

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

**Notes to the financial statements  
for the year ended to 31 December 2001 (continued)**

**9 Intangible assets**

	<b>Goodwill £'000</b>
<b>Cost</b>	
At 1 January 2001 and at 31 December 2001	<u>109</u>
<b>Amortisation</b>	
At 1 January 2001 and at 31 December 2001	<u>109</u>
<b>Net book value</b>	
At 31 December 2000 and at 31 December 2001	<u>=</u>

**10 Tangible assets**

	<b>Plant, and equipment £'000</b>
<b>Cost or valuation</b>	
At 1 January 2001	4,836
Additions	233
Disposals	<u>(29)</u>
<b>At 31 December 2001</b>	<u>5,040</u>
<b>Accumulated depreciation</b>	
At 1 January 2001	3,240
Charge for the year	278
Disposals	<u>(29)</u>
Provisions for impairment	<u>205</u>
<b>At 31 December 2001</b>	<u>3,694</u>
<b>Net book value</b>	
At 31 December 2001	<u>1,346</u>
At 31 December 2000	<u>1,596</u>

	<b>2001 £'000</b>	<b>2000 £'000</b>
<b>Future capital expenditure contracted for but not provided in the accounts</b>		
Contracts placed for future expenditure	<u>11</u>	<u>128</u>

**Notes to the financial statements  
for the year ended to 31 December 2001 (continued)**

**11 Stocks**

	2001 £'000	2000 £'000
Raw materials and consumables	28	16
Works in progress	251	367
Finished goods	<u>28</u>	<u>18</u>
	<u>307</u>	<u>401</u>

**12 Debtors**

	2001 £'000	2000 £'000
Trade debtors	805	1,051
Amounts owed by group undertakings	-	1,457
Other debtors	15	12
Prepayments and accrued income	<u>1</u>	<u>26</u>
	<u>821</u>	<u>2,546</u>

**13 Creditors: amounts falling due within one year**

	2001 £'000	2000 £'000
Bank loan and overdrafts	-	101
Trade creditors	277	202
Due to group undertakings	1,085	2,854
Taxation and social security	41	31
Other creditors	13	28
Accruals and deferred income	<u>33</u>	<u>80</u>
	<u>1,449</u>	<u>3,296</u>

**Notes to the financial statements  
for the year ended 31 December 2001 (continued)**

**14 Provisions for liabilities and charges**

**Deferred taxation**

	2001 £'000	2000 £'000
Accelerated capital allowances – full potential assets not recognised	<u>(344)</u>	<u>(48)</u>

This represents an unrecognised deferred tax asset.

**15 Share capital**

	2001 £'000	2000 £'000
Allotted, Authorised and Issued 550 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

**16 Reserves**

	Share Premium £'000	Profit and Loss £'000
At 1 January 2001	549	697
Loss for the year	<u>-</u>	<u>(222)</u>
At 31 December 2001	<u>549</u>	<u>475</u>

**17 Reconciliation of movements in shareholders' funds**

	2001 £'000	2000 £'000
Loss/profit for the financial period	(222)	376
Shareholders' funds as at 1 January 2001	<u>1,247</u>	<u>871</u>
Shareholders' funds as at 31 December 2001	<u>1,025</u>	<u>1,247</u>

**Notes to the financial statements  
for the year ended 31 December 2001 (continued)****18 Operating lease commitments**

Annual commitments under non-cancellable operating leases:  
Over five years

**Land and  
Buildings  
£'000**

**100**

**19 Contingent Liabilities**

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

**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 £16,000. No amounts were either prepaid or accrued at the year end.

**21 Ultimate parent undertaking**

The ultimate parent undertaking and controlling party at 31 December 2001 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.