

KOLLMORGEN (UK) LIMITED

ABBREVIATED ACCOUNTS

**for the year ended
31st December 2002**

Company Registration Number 4088199



MITCHELL CHARLESWORTH
Chartered Accountants

KOLLMORGEN (UK) LIMITED

Abbreviated Accounts

Year ended 31st December 2002

Contents	Page
Independent auditors' report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3

Mitchell Charlesworth

Chartered Accountants
24 Nicholas Street Chester

KOLLMORGEN (UK) LIMITED

Independent Auditors' Report to the Company

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with theof the company for the year ended 31st December 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 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 sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and 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 accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



24 Nicholas Street
Chester
CH1 2AU

7th May 2003

MITCHELL CHARLESWORTH
Chartered Accountants
Registered Auditor

KOLLMORGEN (UK) LIMITED

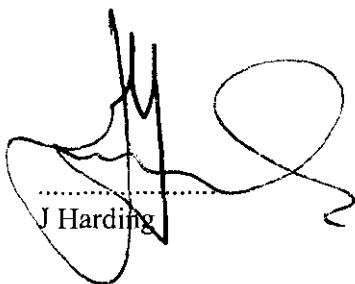
Abbreviated Balance Sheet

31st December 2002

	Note	2002 £	£	2001 £	£
Fixed assets	2				
Tangible assets			4,015		8,402
Current assets					
Stocks		19,823		19,086	
Debtors		342,833		393,663	
Cash at bank and in hand		63,151		39,203	
		<u>425,807</u>		<u>451,952</u>	
Creditors: Amounts falling due within one year		<u>444,293</u>		<u>441,278</u>	
Net current (liabilities)/assets			(18,486)		10,674
Total assets less current liabilities			(14,471)		19,076
Creditors: Amounts falling due after more than one year			<u>11,907</u>		<u>25,949</u>
			<u>(26,378)</u>		<u>(6,873)</u>
Capital and reserves					
Called-up equity share capital	3		20,000		20,000
Profit and Loss Account			(46,378)		(26,873)
Deficiency			<u>(26,378)</u>		<u>(6,873)</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These accounts were approved by the directors on the 7th May 2003 and are signed on their behalf by:


J Harding

The notes on pages 3 to 5 form part of these accounts.

KOLLMORGEN (UK) LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2002

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the accounts on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 25% straight line
Motor Vehicles	- 50% straight line
Equipment	- 33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date,

KOLLMORGEN (UK) LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2002

1. Accounting policies *(continued)*

there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Fixed assets

	Tangible Assets £
Cost	
At 1st January 2002	11,484
Disposals	<u>(2,762)</u>
At 31st December 2002	<u>8,722</u>
Depreciation	
At 1st January 2002	3,082
Charge for year	2,661
On disposals	<u>(1,036)</u>
At 31st December 2002	<u>4,707</u>
Net book value	
At 31st December 2002	<u>4,015</u>
At 31st December 2001	<u>8,402</u>

KOLLMORGEN (UK) LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2002

3. Share capital

Authorised share capital:

	2002	2001
	£	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	20,000	—
Issue of ordinary shares	<u>—</u>	<u>20,000</u>
	<u>20,000</u>	<u>20,000</u>

4. Ultimate parent company

Kollmorgen Steuerungstechnik GmbH, a company registered in Germany, owns 88% of the share capital of Kollmorgen (UK) Limited.