



ARTHURANDERSEN

**FANUC Robotics (UK) Limited**

Accounts 31 December 2000  
together with directors' and auditors' reports

Registered number: 153227



## **Directors' report**

For the year ended 31 December 2000

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 2000.

### **Principal activities**

The principal activities of the company continues to be the manufacture and distribution of robots and robotic systems.

### **Results and dividends**

Turnover at £17.1 million was slightly higher than the previous year (1999 - £16.9 million), but gross profit at £2.5 million was considerably lower (1999 - £3.2 million) as a result of an increase in the cost of robots and spare parts. This was a direct result of the strengthening of the Japanese Yen, compared to Sterling, by more than 14% compared with 1999. Consequently, the profit on ordinary activities before taxation for the year was lower at £313,677 (1999 - £936,533).

The commitment to the growth and future of the business was emphasised during the year when the authorised share capital of the company was increased from £700,000 to £1,400,000 and the additional £700,000 of share capital was allotted to, and fully paid up by, the immediate holding company, FANUC Robotics Europe SA.

The directors do not recommend a final dividend in the current year (1999 - £Nil). Interim dividends of £525,000 (1999 - £318,500) were paid during the year.

### **Directors and their interests**

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

P Planchock  
C Sumner

No director has any interest required to be disclosed under Schedule 7 of the Companies Act 1985.

## 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 of the company 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.

### Supplier payment policy

The company's policy is to settle terms of payments with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

### Auditors

The directors will place a resolution before the Annual General Meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Seven Stars Industrial Estate  
Quinn Close  
Whitley  
Coventry  
CV3 4LB

By order of the Board,



C Sumner

Director

1 May 2001

**To the Shareholders of FANUC Robotics (UK) Limited:**

We have audited the accounts on pages 4 to 13 which have been prepared under the historical cost convention and 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 the 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.

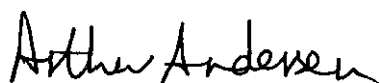
**Basis of audit opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements 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 as at 31 December 2000 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**

Four Brindleyplace  
Birmingham  
B1 2HZ

1 May 2001

## Profit and loss account

For the year ended 31 December 2000

	Notes	2000 £	1999 £
Turnover	2	17,145,244	16,892,803
Cost of sales		(14,661,372)	(13,699,507)
<b>Gross profit</b>		<b>2,483,872</b>	<b>3,193,296</b>
Administrative expenses		(2,185,502)	(2,228,231)
<b>Operating profit</b>		<b>298,370</b>	<b>965,065</b>
Interest receivable and similar income	3	18,878	6,849
Interest payable and similar charges	4	(3,571)	(35,381)
<b>Profit on ordinary activities before taxation</b>	5	<b>313,677</b>	<b>936,533</b>
Tax on profit on ordinary activities	7	(131,105)	(307,077)
<b>Profit on ordinary activities after taxation</b>		<b>182,572</b>	<b>629,456</b>
Dividends paid and proposed	8	(525,000)	(318,500)
<b>Retained (loss) profit for the year</b>		<b>(342,428)</b>	<b>310,956</b>
<b>Retained profit brought forward</b>		<b>630,795</b>	<b>319,839</b>
<b>Retained profit carried forward</b>		<b>288,367</b>	<b>630,795</b>

All results are derived from continuing operations.

There were no recognised gains or losses in either year other than the profit for each year.

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

# Balance sheet

31 December 2000

	Notes	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	9	222,936	201,811
<b>Current assets</b>			
Stocks	10	2,266,539	2,151,862
Debtors	11	2,487,130	3,470,261
Cash at bank and in hand		753,748	204,970
		5,507,417	5,827,093
<b>Creditors: Amounts falling due within one year</b>	12	(3,874,336)	(4,566,004)
<b>Net current assets</b>		1,633,081	1,261,089
<b>Total assets less current liabilities</b>		1,856,017	1,462,900
<b>Provisions for liabilities and charges</b>	13	(167,650)	(132,105)
<b>Net assets</b>		1,688,367	1,330,795
<b>Capital and reserves</b>			
Called-up share capital	14	1,400,000	700,000
Profit and loss account		288,367	630,795
<b>Total shareholders' funds - all equity</b>	15	1,688,367	1,330,795

The accounts on pages 4 to 13 were approved by the board of directors on 1 May 2001 and signed on its behalf by:

C Sumner



Director

1 May 2001

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

## Notes to accounts

31 December 2000

### 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

#### *a) Basis of accounting*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *b) Tangible fixed assets*

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

Leasehold improvements	- 4% per annum
Plant and machinery	- 25% or 33% per annum
Fixtures and fittings	- 10% or 20% per annum

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

#### *c) Stocks*

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated normal 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.

#### *d) Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced.

#### *e) 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.

#### *f) Turnover*

Turnover represents the net value of goods invoiced to customers during the year, excluding value added tax.

## Notes to accounts (continued)

### 1 Accounting policies (continued)

#### g) Pension costs

The company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions paid are shown as either accruals or prepayments in the balance sheet.

#### h) Research and development

Research and development expenditure is written off in the year in which it is incurred.

#### i) Leases

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.

#### j) Cash flow

Under the provisions of Financial Reporting Standard No. 1 (Revised), the company has not prepared a cash flow statement because 100% of the voting rights of the company are controlled by a larger group, whose consolidated financial statements are publicly available.

### 2 Turnover

	2000 £	1999 £
<b>Geographical analysis of turnover</b>		
United Kingdom	14,202,111	14,751,519
European Union	2,797,886	2,019,944
Other	145,247	121,340
	<u>17,145,244</u>	<u>16,892,803</u>

### 3 Interest receivable and similar income

	2000 £	1999 £
Bank interest receivable and similar income	<u>18,878</u>	<u>6,849</u>

### 4 Interest payable and similar charges

	2000 £	1999 £
Bank loans, overdrafts and other loans	<u>3,571</u>	<u>35,381</u>



## Notes to accounts (continued)

### 5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2000 £	1999 £
Depreciation on tangible fixed assets	52,453	58,190
Operating lease rentals:		
- land and buildings	116,275	116,275
- other	133,507	143,720
Auditors' remuneration:		
- audit fee	11,286	12,050
- non-audit services	3,550	3,500
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### 6 Staff costs

Particulars of employees (including executive directors) are as shown below:

Employee costs during the year amounted to:

	2000 £	1999 £
Wages and salaries	1,213,739	1,169,201
Social security costs	155,049	136,854
Other pension costs	38,525	34,037
	<hr/>	<hr/>
	1,407,313	1,340,092
	<hr/>	<hr/>

The average monthly number of persons (including executive directors) employed by the company during the year was as follows:

	2000 Number	1999 Number
Management and administration	5	5
Engineering	21	19
Selling and distribution	4	4
	<hr/>	<hr/>
	30	28
	<hr/>	<hr/>

## Notes to accounts (continued)

### 6 Staff costs (continued)

#### Directors' remuneration

	2000 £	1999 £
Emoluments	93,523	96,696
Company contributions to money purchase pension schemes	2,700	2,684
	<u>96,223</u>	<u>99,380</u>

#### Directors' pensions

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

	2000 Number	1999 Number
Money purchase schemes	<u>1</u>	<u>1</u>

### 7 Tax on profit on ordinary activities

The tax charge comprises:

	2000 £	1999 £
Corporation tax at 30%(1999 – 30%)	124,000	308,500
Adjustments of current taxation in respect of prior years	7,105	(1,423)
	<u>131,105</u>	<u>307,077</u>

### 8 Dividends paid

	2000 £	1999 £
<i>Equity shares</i>		
- interim paid of 75p (1999 – 45.5p) per £1.00 ordinary share	<u>525,000</u>	<u>318,500</u>

The interim dividend was paid prior to the change in share capital structure, see note 14.

Notes to accounts (continued)

**9 Tangible fixed assets**

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
Beginning of year	179,501	225,742	149,154	554,397
Additions	28,507	38,346	6,725	73,578
Disposals	-	(12,250)	-	(12,250)
End of year	208,008	251,838	155,879	615,725
<b>Depreciation</b>				
Beginning of year	65,035	173,652	113,899	352,586
Charge for year	8,614	34,855	8,984	52,453
Disposals	-	(12,250)	-	(12,250)
End of year	73,649	196,257	122,883	392,789
<b>Net book value</b>				
Beginning of year	114,466	52,090	35,255	201,811
End of year	134,359	55,581	32,996	222,936

**10 Stocks**

	2000 £	1999 £
Work-in-progress	518,983	50,526
Finished goods and goods for resale	1,747,556	2,101,336
	2,266,539	2,151,862

In the opinion of the directors there is no material difference between the balance sheet value of stocks and their replacement costs.

**11 Debtors**

	2000 £	1999 £
Trade debtors	2,354,557	3,088,251
Amounts owed by group undertakings	20,258	284,989
Prepayments and accrued income	112,315	97,021
	2,487,130	3,470,261

## Notes to accounts (continued)

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

	2000 £	1999 £
Bank overdraft	-	460,301
Payments received on account	528,496	729,817
Trade creditors	634,248	648,029
Amounts owed to group undertakings	1,291,962	1,515,518
UK corporation tax	53,000	204,125
Other taxation and social security	352,092	249,584
Accruals and deferred income	1,014,538	758,630
	<u>3,874,336</u>	<u>4,566,004</u>

### 13 Provisions for liabilities and charges

	£
<b>Product warranties</b>	
Beginning of year	132,105
Utilised in year	(59,696)
Charged to profit and loss account	95,241
End of year	<u>167,650</u>

### 14 Called-up share capital

	2000 £	1999 £
<i>Authorised, allotted, called up and fully paid:</i>		
350,000 'A' Ordinary shares of £1 each	-	350,000
350,000 'B' Ordinary shares of £1 each	-	350,000
1,400 ordinary shares of £1,000 each	1,400,000	-
	<u>1,400,000</u>	<u>700,000</u>

On 21 December 2000 700,000 ordinary shares of £1 each were consolidated into 700 ordinary shares, with equal rights, of £1,000 each and the authorised share capital was increased to £1,400,000 by the creation of a further 700 ordinary shares of £1,000 each to rank pari passu with the existing shares. On 22 December 2000 the additional 700 shares were allotted to, called up and fully paid by the immediate holding company, FANUC Robotics Europe SA.

## Notes to accounts (continued)

### 15 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the year	182,572	629,456
Increase in share capital	700,000	-
Dividends paid and proposed on equity shares	(525,000)	(318,500)
Net addition to shareholders' funds	357,572	310,956
Opening shareholders' funds	1,330,795	1,019,839
Closing shareholders' funds	1,688,367	1,330,795

### 16 Guarantees and other financial commitments

#### a) Capital commitments

There were no capital commitments at either year end.

#### b) Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	2000 £	1999 £	2000 £	1999 £
Expiry date:				
- within one year	-	-	23,792	23,295
- within two to five years	-	-	90,178	104,713
- after five years	116,275	116,275	-	-
	116,275	116,275	113,970	128,008

#### c) Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge amounted to £38,525 (1999 - £34,037). Contributions totalling £4,018 (1999 - £3,571) were payable to the fund at the year end and are included in creditors.

#### d) Deferred taxation

There was no deferred tax liability at either year end.

### 17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 and has not disclosed transactions with other group undertakings as 100% of the company's voting rights are controlled within the group, and consolidated financial statements in which the company is included are publicly available.

## Notes to accounts (continued)

### **18 Ultimate parent company and controlling party**

The ultimate parent company and controlling party is FANUC Limited, a company incorporated in Japan. The group's headquarters are located at Oshino-mura, Yamanashi Prefecture 401-0511, Japan.

The smallest group into which the financial statements of the company are consolidated is FANUC Robotics Europe SA, a company incorporated in Luxembourg. The accounts can be obtained from Registre de Commerce et des Societes de et a Diekirch, Palais de Justice, Diekirch, Grand-Duche de Luxembourg.

The largest group into which the financial statements of the company are consolidated is FANUC Limited. The accounts can be obtained from Tokyo Stock Exchange, 2-1 Kabuto-cho, Nihanbashi Tokyo, Japan.