

REGISTERED NUMBER: 2098653 (England and Wales)

Abbreviated Accounts
for the Year Ended 31 December 2003
for
ELRO (UK) Limited



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for the Year Ended 31 December 2003**

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**Company Information
for the Year Ended 31 December 2003**

| | |
|---------------------------|---|
| DIRECTORS: | A Zimmermann R Fohn B Wasiewicz |
| SECRETARY: | Hexagon Registrars Ltd |
| REGISTERED OFFICE: | Ten Dominion Street London EC2M 2EE |
| REGISTERED NUMBER: | 2098653 (England and Wales) |
| AUDITORS: | Williams & Co Chartered Accountants & Registered Auditors 8/10 South Street Epsom Surrey KT18 7PF |
| BANKERS: | NatWest Bank Plc 67 High Street Staines Middlesex TW18 4PU |

**Report of the Independent Auditors to
ELRO (UK) Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages three to five, together with the full financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and 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 to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages three to five are properly prepared in accordance with those provisions.



Williams & Co
Chartered Accountants
& Registered Auditors
8/10 South Street
Epsom
Surrey
KT18 7PF

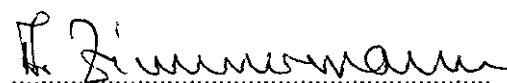
Date: 25th March 2004

**Abbreviated Balance Sheet
31 December 2003**

| | | <u>2003</u> | | <u>2002</u> | |
|---|-------|---------------|-------------------|---------------|-------------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS: | | | | | |
| Intangible assets | 2 | | - | | - |
| Tangible assets | 3 | | <u>2,808</u> | | <u>2,440</u> |
| | | | 2,808 | | 2,440 |
| CURRENT ASSETS: | | | | | |
| Stocks | | 115,589 | | 65,533 | |
| Debtors | | 85,141 | | 54,316 | |
| Cash at bank and in hand | | <u>32,119</u> | | <u>30,926</u> | |
| | | 232,849 | | 150,775 | |
| CREDITORS: Amounts falling due within one year | | <u>47,978</u> | | <u>14,094</u> | |
| NET CURRENT ASSETS: | | | <u>184,871</u> | | <u>136,681</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES: | | | 187,679 | | 139,121 |
| CREDITORS: Amounts falling due after more than one year | | | <u>444,646</u> | | <u>398,371</u> |
| | | | <u>£(256,967)</u> | | <u>£(259,250)</u> |
| CAPITAL AND RESERVES: | | | | | |
| Called up share capital | 4 | | 80,000 | | 80,000 |
| Profit and loss account | | | <u>(336,967)</u> | | <u>(339,250)</u> |
| SHAREHOLDERS' FUNDS: | | | <u>£(256,967)</u> | | <u>£(259,250)</u> |

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

ON BEHALF OF THE BOARD:



A Zimmermann - Director

Approved by the Board on 25th March 2004

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2003**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1994, is being written off evenly over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|---------------|
| Plant and machinery | - 15% on cost |
| Fixtures and fittings | - 10% on cost |

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. INTANGIBLE FIXED ASSETS

| | <u>Total</u> |
|------------------------|-----------------|
| | £ |
| COST: | |
| At 1 January 2003 | |
| and 31 December 2003 | <u>39,439</u> |
| AMORTISATION: | |
| At 1 January 2003 | |
| and 31 December 2003 | <u>39,439</u> |
| NET BOOK VALUE: | |
| At 31 December 2003 | <u><u>-</u></u> |

Notes to the Abbreviated Accounts
for the Year Ended 31 December 2003

3. TANGIBLE FIXED ASSETS

| | <u>Total</u> |
|------------------------|---------------|
| | £ |
| COST: | |
| At 1 January 2003 | 26,914 |
| Additions | <u>1,885</u> |
| At 31 December 2003 | <u>28,799</u> |
| DEPRECIATION: | |
| At 1 January 2003 | 24,474 |
| Charge for year | <u>1,517</u> |
| At 31 December 2003 | <u>25,991</u> |
| NET BOOK VALUE: | |
| At 31 December 2003 | <u>2,808</u> |
| At 31 December 2002 | <u>2,440</u> |

4. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|-----------------|----------------|----------------|----------------|
| Authorised: | | | | |
| Number: | Class: | Nominal value: | 2003 | 2002 |
| | | £1 | £ | £ |
| 500,000 | Ordinary Shares | | <u>500,000</u> | <u>500,000</u> |
| | | | | |
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 2003 | 2002 |
| | | £1 | £ | £ |
| 80,000 | Ordinary Shares | | <u>80,000</u> | <u>80,000</u> |

5. ULTIMATE PARENT COMPANY

The ultimate holding company is Elro (Holding) AG, a company incorporated in Switzerland.