

Husky Injection Molding Systems (UK) Limited

Report and Accounts

31 July 2000

Registered Number: 2837366

Husky Injection Molding Systems (UK) Limited

Registered Number: 2837366

DIRECTORS

D J Cook
J S Jacques
A W Knickle

SECRETARY

A W Knickle

AUDITORS

Ernst & Young LLP
One Colmore Row
Birmingham
B3 2DB

REGISTERED OFFICE

Siskin Drive
Middlemarch Business Park
Coventry
CV3 4FJ

Husky Injection Molding Systems (UK) Limited

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 July 2000.

RESULTS AND DIVIDENDS

The profit for the year after tax amounted to £152,811 (1999: £120,364). The directors do not recommend the payment of a dividend leaving £152,811 to be transferred to reserves.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company commenced trading in October 1998, providing services to the plastic injection moulding industry. The company assists Husky Injection Molding Systems SA, its immediate parent undertaking, in the selling and servicing of its products. It operates a technical centre that provides training services and allows customers to test their moulds and resins using products manufactured by the Husky Group. The company will continue to provide these high quality services into the future.

DIRECTORS AND THEIR INTERESTS

The directors in office during the period were as follows:

D J Cook

J

S

Jacques

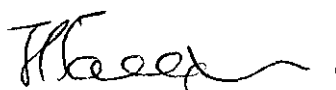
A W Knickle

No director who held office at 31 July 2000 had any interest in the share capital of the company at any time during the year.

AUDITORS

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board



J

S

Jacques

Director

Dated 15.8.01

Husky Injection Molding Systems (UK) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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;
- 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 to enable them to ensure that the accounts comply with the Companies Act. 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.

REPORT OF THE AUDITORS

to the members of Husky Injection Molding Systems (UK) Limited

We have audited the accounts on pages 5 and 11 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. 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 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 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 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 the company's affairs as at 31 July 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Birmingham

Dated *17 August 2001*

Husky Injection Molding Systems (UK) Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 July 2000

	Notes	2000 £	1999 £
TURNOVER	2	2,538,733	2,013,165
Cost of Sales		(91,693)	(121,988)
GROSS PROFIT		<u>2,447,040</u>	<u>1,891,177</u>
Distribution Costs		486,641	466,723
Administrative Expenses		1,729,605	1,242,092
		<u>2,216,246</u>	<u>1,708,815</u>
OPERATING PROFIT	3	230,794	182,362
Bank interest receivable		-	845
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>230,794</u>	<u>183,207</u>
Tax on profit on ordinary activities	6	(77,983)	(62,843)
PROFIT RETAINED FOR THE FINANCIAL YEAR	12	<u>152,811</u>	<u>120,364</u>

There are no recognised gains or losses in the year other than the retained profit for the year of £152,811 (1999: £120,364).

Husky Injection Molding Systems (UK) Limited

BALANCE SHEET

at 31 July 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	7	5,728,932	5,960,832
CURRENT ASSETS			
Debtors	8	136,896	183,451
Cash in bank and in hand		42,566	5,780
		179,462	189,231
CREDITORS: amounts falling due within one year	9	5,444,650	5,916,856
NET CURRENT LIABILITIES		(5,265,188)	(5,727,625)
TOTAL ASSETS LESS CURRENT LIABILITIES		463,744	233,207
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	10	(140,569)	(62,843)
		323,175	170,364
CAPITAL AND RESERVES			
Called up share capital	11	50,000	50,000
Profit and loss account	12	273,175	120,364
TOTAL EQUITY SHAREHOLDERS' FUNDS		323,175	170,364



J S Jacques
Director

Dated 15.8.01

Husky Injection Molding Systems (UK) Limited

NOTES TO THE ACCOUNTS at 31 July 2000

1. ACCOUNTING POLICIES

Basis of accounting

The accounts are prepared under the historical cost convention.

Fundamental accounting concept

The company is dependant on continuing finance being made available by its parent company to enable it to continue operating and to meet its liabilities as they fall due.

The parent company has agreed to provide sufficient funds to the company for these purposes; it has also agreed not to recall the amounts advanced to the company until all other creditors have been met. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold buildings	-	over 25 years
Computer equipment	-	over 3 years
Plant and equipment	-	over 10 years
Office equipment	-	over 5 years
Furniture and fittings	-	over 10 years
Motor vehicles	-	over 3 years

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and to Husky Injection Molding Systems S.A., its immediate parent undertaking. Turnover is attributable to one continuing activity the supply and technical support of injection moulding products.

Husky Injection Molding Systems (UK) Limited

NOTES TO THE ACCOUNTS

at 31 July 2000

3. OPERATING PROFIT

(a) This is stated after charging:

	2000	1999
	£	£
Auditors' remuneration	8,500	8,233
Depreciation of owned fixed assets	413,904	265,067

4. DIRECTORS' EMOLUMENTS

	2000	1999
	£	£
Emoluments	70,000	70,000
Incentive payment	-	32,000
Pension contributions	5,600	5,600
	75,600	107,600

	2000	1999
	No.	No.
Members of money purchase pension schemes	1	1

5. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	773,514	572,077
Social security costs	77,592	61,380
Other pension costs	46,211	35,434
	897,317	668,891

The average weekly number of employees during the year was as follows:

	2000	1999
	No	No
Administration	2	3
Sales and distribution service	23	17
	25	20

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
Based on the profit for the year:		
Corporation tax	257	-
Deferred tax	77,726	62,843
	77,983	62,843

Husky Injection Molding Systems (UK) Limited

NOTES TO THE ACCOUNTS at 31 July 2000

7. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Office equipment fixtures and fittings</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£	£
Cost or valuation:					
At 31 July 1999	5,360,073	171,263	477,288	215,156	6,223,780
Additions	-	8,764	33,583	141,807	184,154
Category transfers	(310,569)	252,275	58,294	-	-
Disposals	-	-	-	(34,549)	(34,549)
At 31 July 2000	5,049,504	432,302	569,165	322,414	6,373,385
Depreciation:					
At 31 July 1999	116,745	9,811	65,492	70,900	262,948
Provided during the year	160,975	59,505	93,942	99,482	413,904
Disposals	-	-	-	(32,399)	(32,399)
At 31 July 2000	277,720	69,316	159,434	137,983	644,453
Net book value:					
At 31 July 2000	4,771,784	362,986	409,731	184,431	5,728,932
At 31 July 1999	5,243,328	161,452	411,796	144,256	5,960,832

Included in freehold land and buildings is land of £844,981 which is not depreciated.

8. DEBTORS

	2000	1999
	£	£
Other debtors	40,956	91,032
Prepayments and accrued income	95,940	92,419
	136,896	183,451

9. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Amounts due to parent undertaking	5,057,207	5,593,522
Trade creditors	172,768	154,335
Other creditors	3,698	3,834
Accruals	210,720	165,165
Corporation tax	257	-
	5,444,650	5,916,856

Husky Injection Molding Systems (UK) Limited

NOTES TO THE ACCOUNTS

at 31 July 2000

10. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	2000 £	1999 £
At 1 August	62,843	-
Charge for the year	77,726	62,843
At 31 July	140,569	62,843

Amounts provided and unprovided in the accounts are as follows:

	2000 £	<i>Provided</i> 1999 £
Accelerated capital allowances	142,182	117,310
Other timing differences	-	(5,721)
Losses	(1,613)	(48,746)
	140,569	62,843

There is no unprovided deferred tax in either year.

11. SHARE CAPITAL

	2000 £	<i>Authorised</i> 1999 £
Ordinary shares of £1 each	50,000	50,000

	2000 No.	1999 No.	<i>Allotted, called up and fully paid</i> 2000 £	1999 £
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

Husky Injection Molding Systems (UK) Limited

NOTES TO THE ACCOUNTS

at 31 July 2000

12. RECONILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 31 July 1998	50,000	-	50,000
Profit for the year	-	120,364	120,364
At 31 July 1999	50,000	120,364	170,364
Profit for the year	-	152,811	152,811
At 31 July 2000	50,000	273,175	323,175

13. CAPITAL COMMITMENTS

	<i>2000 £</i>	<i>1999 £</i>
Contracted	-	45,280

14. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its directors and senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund. During the year the company paid contributions of £55,434 into the scheme and at the year end £3,698 of contributions represented amounts owed to the scheme.

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by FRS 8 paragraph 3 not to disclose details of transactions with other group companies.

16. ULTIMATE HOLDING COMPANY

The immediate parent undertaking is Husky Injection Molding Systems SA which is registered in Luxembourg. The company's ultimate holding company is Husky Injection Molding Systems Limited, a company registered in Canada. It has included the company in its group accounts.