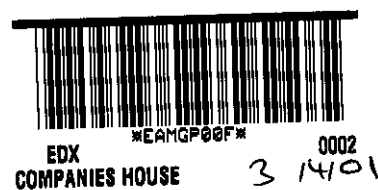


# Audco Limited

## Report and Accounts

31 March 2000

*Company number: 316996*



**Audco Limited**

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Registered No. 316996

**DIRECTORS**

J C Bays  
J R W Clayton  
R L Spencer

**SECRETARY**

Invensys Secretaries Limited

**AUDITORS**

Ernst & Young  
Becket House  
1 Lambeth Palace Road  
London  
SE1 7EU

**REGISTERED OFFICE**

Invensys House  
Carlisle Place  
London  
SW1P 1BX

## Audco Limited

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Registered No. 316996

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**Audco Limited****DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 31 March 2000 (1999: 15 month period ended 31 March 1999).

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The Company did not trade during the year.

It is not anticipated that the Company will trade in the near future, although the directors will consider any opportunities that may arise.

**RESULTS AND DIVIDENDS**

The profit for the financial year amounted to £575,000 (15 month period ended 31 March 1999: £920,000). The directors do not recommend the payment of a dividend (15 month period ended 31 March 1999: £920,000), which leaves a profit of £575,000 (15 month period ended 31 March 1999: £Nil) to be retained.

**DIRECTORS AND THEIR INTERESTS**

The directors who served during the year were as follows:

J C Bays	(appointed 2 July 1999)
R L Spencer	(appointed 14 May 1999)
D J Stevens	(resigned 14 May 1999)
J D Thom	

Mr J D Thom resigned on 9 February 2001 and was replaced on that day by Mr J R W Clayton.

As at 31 March 2000, no director had any interest in the shares of the Company.

No director was interested during or at the end of the year in any contract which was significant in relation to the Company's business.

The interests of the directors in the ordinary shares of Invensys plc as at 31 March 2000 and 1 April 1999 were:

	At 31 March 2000			At 1 April 1999 (or, if later, at date of appointment)		
	Share option schemes			Share option schemes		
	Shares	Executive	SAYE	Shares	Executive	SAYE
J C Bays	5,000	463,500	4,484	-	370,000	4,484
R L Spencer	-	46,018	2,174	-	31,318	1,674
J D Thom	153	78,341	5,413	153	55,241	5,413

**Audco Limited****DIRECTORS' REPORT****DIRECTORS AND THEIR INTERESTS (CONTINUED)**

Changes to options during the year or, if later, since the date of appointment, comprise the following:

	Granted	Exercised	Lapsed
As part of the Executive Scheme:			
J C Bays	93,500	-	-
R L Spencer	14,700	-	-
J D Thom	23,100	-	-
As part of the SAYE Scheme:			
R L Spencer	876	-	376

**EUROPEAN MONETARY UNION**

Following the introduction of the Euro on 1 January 1999, the Invensys Group's operations are able to undertake transactions in the Euro and capture competitive advantages offered by the new currency. The additional costs to Audco Limited arising from the introduction of the Euro are not expected to be significant.

**AUDITORS**

In accordance with s386 of the Companies Act 1985, a resolution to dispense with the obligation to appoint auditors annually has been passed. Accordingly Ernst & Young shall be deemed to be reappointed as auditors 28 days after the accounts are sent to the members.

By Order of the Board.



Per pro Invensys Secretaries Limited,  
Secretary  
Invensys House  
Carlisle Place  
London  
SW1P 1BX

30 March, 2001

## Audco Limited

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### 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;
- 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.

**Audco Limited****REPORT OF THE AUDITORS TO THE MEMBERS OF AUDCO LIMITED.**

We have audited the accounts on pages 8 to 13, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 10.

**Respective responsibilities of directors and auditors**

As described on page 6, 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 affairs of the company as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young*

Ernst & Young  
Registered Auditor

*30 March 2001*

London

**Audco Limited****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000**

		<i>Year Ended 31 March 2000 £000</i>	<i>15 Months to 31 March 1999 £000</i>
	<i>Notes</i>		
Income from associated undertakings		627	920
<b>Profit on ordinary activities before taxation</b>		<u>627</u>	<u>920</u>
Taxation	5	(52)	-
<b>Profit on ordinary activities after taxation</b>		<u>575</u>	<u>920</u>
Dividends	6	-	(920)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	11	<u><u>575</u></u>	<u><u>-</u></u>

**Recognised Gains and Losses**

There are no recognised gains or losses other than the profit of £575,000 in the year ended 31 March 2000 and the profit of £920,000 in the 15 month period ended 31 March 1999.

The notes on pages 10 to 13 form part of these accounts.



**Audco Limited****BALANCE SHEET AT 31 MARCH 2000**

	<i>Notes</i>	<i>31 March 2000 £000</i>	<i>31 March 1999 £000</i>
<b>FIXED ASSETS</b>			
Investments	7	45	45
		<u>45</u>	<u>45</u>
<b>CURRENT ASSETS</b>			
Debtors	8	822	1,115
<b>CREDITORS: amounts falling due within one year</b>	9	(52)	(920)
<b>NET CURRENT ASSETS</b>		<u>770</u>	<u>195</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>815</u>	<u>240</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	10	240	240
Profit and loss account	11	575	-
		<u>815</u>	<u>240</u>

Approved by the board on *30 March*, 2001 and signed on its behalf by:



Director

The notes on pages 10 to 13 form part of these accounts.

## Audco Limited

### NOTES TO THE ACCOUNTS AS AT 31 MARCH 2000

#### 1. ACCOUNTING POLICIES

##### *Basis of preparation*

The accounts have been prepared under the historical cost convention, and in accordance with all applicable UK accounting standards.

##### *Investments*

Investments held as fixed assets are stated at cost less provision for any impairment in value.

##### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the period end. Exchange differences arising from the re-translation of foreign currency denominated assets and liabilities together with other exchange differences arising in the year are included in the profit and loss account.

##### *Taxation*

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities may crystallise in the foreseeable future.

##### *New financial reporting standard*

In December 1999 the Accounting Standards Board published Financial Reporting Standard No 16: "Current Taxation" (FRS 16). The implementation of FRS 16 in the year ended 31 March 2000 has had no impact on either the current tax charge in the profit and loss account or the provision for current taxation in the balance sheet.

#### 2. OPERATING PROFIT

The auditors' remuneration is borne by the ultimate parent undertaking.

#### 3. DIRECTORS' REMUNERATION

None of the directors received any emoluments from the Company during the year (1999: £Nil)

#### 4. EMPLOYEES

No persons were employed by the Company during the year (1999: Nil)

#### 5. TAXATION

	2000 £000	1999 £000
UK Corporation tax at 30% (1999: 31%)	320	408
Less: double taxation relief	(320)	(408)
	<hr/>	<hr/>
	-	-
Adjustment in respect of prior years	52	-
	<hr/>	<hr/>
	52	-
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## Audco Limited

### NOTES TO THE ACCOUNTS AS AT 31 MARCH 2000

#### 6. DIVIDENDS

	2000 £000	1999 £000
Ordinary – final proposed dividend of £Nil per share (1999: £3.83)	-	920

#### 7. INVESTMENTS

	<i>Shares in Associated Undertakings £000</i>
<i>Cost and Net book value</i> At 31 March 1999 and 31 March 2000	45

Details of the Company's operating associate undertaking are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Audco India Limited (India)	Ordinary shares	50%	Manufacturing

Group accounts have not been prepared because the company is a wholly owned subsidiary of Invensys plc, a company registered in England and Wales. As a result, the accounts present information about the company as an individual undertaking and not about its group.

#### 8. DEBTORS: amounts falling due within one year

	2000 £000	1999 £000
Amounts due from parent and fellow subsidiary undertakings	822	1,050
Amounts due from associate undertakings	-	65
	822	1,115

#### 9. CREDITORS: amounts falling due within one year

	2000 £000	1999 £000
Amounts owed to parent and fellow subsidiary undertakings	52	920

## Audco Limited

### NOTES TO THE ACCOUNTS AS AT 31 MARCH 2000

#### 10. SHARE CAPITAL

	2000 £000	1999 £000
Authorised:		
240,000 ordinary shares of £1 each	240	240
60,000 unclassified shares of £1 each	60	60
	<u>300</u>	<u>300</u>
Allotted, called-up and fully paid:		
240,000 (1999: 240,000) ordinary shares of £1 each	<u>240</u>	<u>240</u>

#### 11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £000	Profit and Loss Account £000	Total £000
At 1 January 1998	240	-	240
Retained profit for the period	-	-	-
At 31 March 1999	<u>240</u>	<u>-</u>	<u>240</u>
Retained profit for the year	-	575	575
At 31 March 2000	<u>240</u>	<u>575</u>	<u>815</u>

#### 12. RELATED PARTIES

As the Company is a wholly owned subsidiary undertaking of Invensys plc, a company registered in England and Wales, which prepares published consolidated financial statements, the Company has pursuant to paragraph 17 of Financial Reporting Standard No. 8 "Related Party Disclosures" not included details of transactions with other companies which are subsidiaries of the Invensys Group. There are no other related party transactions.

#### 13. CASH FLOW STATEMENT

As the Company is a wholly owned subsidiary undertaking of Invensys plc, a company registered in England and Wales, which prepares published consolidated financial statements incorporating a consolidated cash flow statement, the Company has, in accordance with Financial Reporting Standard No. 1 "Cash Flow Statements" (revised 1996), not produced a cash flow statement.

#### 14. IMMEDIATE PARENT UNDERTAKING

The immediate parent undertaking of Audco Limited is BTR Industries Limited, a company registered in England and Wales.

**Audco Limited**

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**NOTES TO THE ACCOUNTS  
AS AT 31 MARCH 2000****15. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking of Audco Limited is Invensys plc, a company registered in England and Wales. Copies of the accounts of Invensys plc, the only group preparing group accounts which include Audco Limited can be obtained from the Company Secretarial Department, Invensys plc, Invensys House, Carlisle Place, London, SW1P 1BX.