

Sykes-Pickavant Limited

Annual report and financial statements

for the year ended 31 December 2002

Registered number: 351127



## **Sykes-Pickavant Limited**

### **Annual report and financial statements for the year ended 31 December 2002**

	<b>Page</b>
Directors and advisors for the year ended 31 December 2002 .....	1
Directors' report for the year ended 31 December 2002 .....	2
Independent auditors' report to the members of Sykes-Pickavant Limited .....	3
Profit and loss account for the year ended 31 December 2002 .....	4
Balance sheet as at 31 December 2002 .....	5
Notes to the financial statements for the year ended 31 December 2002 .....	6

# **Sykes-Pickavant Limited**

## **Directors and advisors for the year ended 31 December 2002**

### **Directors**

J.S. Cross  
R.A. Smith  
N Lomax (resigned 22 March 2002)  
R Igla  
B D'Audiffret  
G Collins (appointed 28 October 2003)

### **Secretary**

N Lomax (resigned 22 March 2002)  
F Zerathe (appointed 22 March 2002, resigned 6 August 2003)  
D Burchnall (appointed 28 October 2003)

### **Registered office**

Churchbridge Works  
Walsall Road  
Cannock  
Staffordshire  
WS11 8JR

### **Auditors**

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

# **Sykes-Pickavant Limited**

## **Directors' report for the year ended 31 December 2002**

The directors present their report and financial statements for the year ended 31 December 2002.

### **Business review**

The company has not traded during the year, consequently there were no profits or losses before taxation (2001:£291,000). Dividends of £nil (2001:£2,032,000) were paid during the year.

### **Directors**

The directors who served during the year are disclosed on page 1.

None of the directors or their families retained any notifiable interest in the shares of the company or any other group company as at 31 December 2002 or 31 December 2001 requiring disclosures under the Companies Act 1985.

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

### **Auditors**

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 12 March 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

Approved by the board on 30 January 2004 and signed on its behalf by:

  
G Collins  
Director

## **Independent auditors' report to the members of Sykes-Pickavant Limited**

We have audited the financial statements, which comprise the profit and loss account, the balance sheet, and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

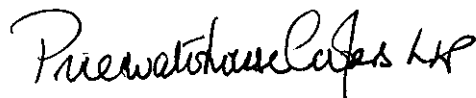
### **Basis of audit opinion**

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham  
30 January 2004

## Sykes-Pickavant Limited

### Profit and loss account for the year ended 31 December 2002

	Notes	2002 £'000	2001 £'000
<b>Turnover</b>	2	-	4,776
Cost of sales		-	(3,059)
<b>Gross profit</b>		-	1,717
Operating expenses			
Before exceptional costs	4	-	(1,984)
Exceptional administrative credits	4	-	619
Total operating expenses		-	(1,365)
<b>Operating profit</b>		-	352
Interest payable	6	-	(61)
<b>Profit on ordinary activities before taxation</b>	3	-	291
Taxation on profit on ordinary activities	7	25	(68)
<b>Profit on ordinary activities after taxation</b>		25	223
Dividend	8	-	(2,032)
<b>Profit / (loss) for the financial year</b>	12,13	25	(1,809)

The results above relate wholly to discontinued operations.

The company has no recognised gains and losses other than the profit/loss above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit/loss on ordinary activities before taxation and the profit/loss for the years as stated above and their historical cost equivalents.

The notes in pages 6 to 12 form part of these financial statements.

## Sykes-Pickavant Limited

### Balance sheet as at 31 December 2002

	Notes	2002 £'000	2001 £'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	3,389	3,389
		3,389	3,389
Creditors: amounts falling due within one year	10	(2,075)	(2,100)
<b>Net current assets</b>		<b>1,314</b>	<b>1,289</b>
<b>Net assets</b>		<b>1,314</b>	<b>1,289</b>
<b>Capital and reserves</b>			
Called up share capital	11	50	50
Profit and loss account	12	1,264	1,239
<b>Equity shareholders' funds</b>	13	<b>1,314</b>	<b>1,289</b>

Approved by the board on 30 January 2004 and signed on its behalf by:



G Collins  
Director

The notes on pages 6 to 12 form part of these financial statements.

# **Sykes-Pickavant Limited**

## **Notes to the financial statements for the year ended 31 December 2002**

### **1 Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards in the U.K. and under the historical cost convention. The principal accounting policies are set out below.

#### **Changes in accounting policy**

In December 2000, the Accounting Standards Board issued FRS 19, 'Deferred Tax'. The company has adopted FRS 19 in the financial statements. The adoption of this new standard represents a change in accounting policy, although there is no effect on the current year or comparative figures.

#### **Cashflow statement**

In accordance with FRS1 (revised) the company is not required to present a cash flow statement as it is a wholly owned subsidiary, 90% or more of whose voting rights are controlled within the group. Consolidated accounts, which include the company, are publicly available (see note 17).

#### **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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **Leasing commitments**

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.



# Sykes-Pickavant Limited

## Notes to the financial statements for the year ended 31 December 2002 (continued)

### 2 Turnover

Turnover represents total invoiced sales excluding value added tax and is attributable to the principal activity of the company.

	2002 £'000	2001 £'000
Analysis by geographical market:		
UK	-	3,169
Export	-	1,607
	-	4,776

In the opinion of the directors, the disclosure of segmental information relating to disclosure of turnover by export market would be seriously prejudicial to the interests of the company and has not therefore been disclosed.

### 3 Profit on ordinary activities before taxation

Auditors' remuneration for both 2002 and 2001 has been borne by another group undertaking.

### 4 Net operating expenses

	2002 £'000	2001 £'000
Distribution costs, including exceptional credits of £nil (2002: £619,000)	-	400
Administrative costs	-	965
	-	1,365

### 5 Directors and employees

	2002 £'000	2001 £'000
Staff costs include :		
Wages and salaries	-	837
Social security costs	-	71
Pension costs	-	-
	-	908

## Sykes-Pickavant Limited

### Notes to the financial statements for the year ended 31 December 2002 (continued)

#### 5 Directors and employees (continued)

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

	Number 2002	Number 2001
Administration	-	78
Production	-	37
	-	115

Director's emoluments for 2002 and 2001 have been borne by another group undertaking.

#### 6 Interest payable

	2002 £'000	2001 £'000
Bank interest	-	58
Interest on hire purchase contracts	-	3
	-	61

#### 7 Taxation on profit on ordinary activities

	2002 £'000	2001 £'000
UK Corporation tax at 30% (2001: 30%)		
Current year	-	68
Over provision in respect of prior years	(25)	-
<b>Total current tax</b>	<b>(25)</b>	<b>68</b>

## Sykes-Pickavant Limited

### Notes to the financial statements for the year ended 31 December 2002 (continued)

#### 7 Taxation on profit on ordinary activities (continued)

The tax assessed for the year is lower than (2001: lower than) the standard rate of corporation tax in the UK (30%).  
The differences are explained below:

	2002	2001
	£'000	£'000
Profit on ordinary activities before tax	-	291
Profit on ordinary activities multiplied by the standard rate in the UK 30% (2001:30%)	-	87
Expenses not deductible for tax purposes	-	14
Accelerated capital allowances/other timing differences	-	(33)
Adjustments to tax charge in respect of prior year	(25)	-
Current tax credit/charge for the year	(25)	68

#### 8 Dividend

	2002	2001
	£'000	£'000
Ordinary shares		
Interim dividend: £nil (2001:£40.64) per £1 share	-	2,032

#### 9 Debtors: amounts due within one year

	2002	2001
	£'000	£'000
Amounts owed by group undertakings	3,389	3,389

## Sykes-Pickavant Limited

### Notes to the financial statements for the year ended 31 December 2002 (continued)

#### 10 Creditors: amounts falling due within one year

	2002	2001
	£'000	£'000
Amounts due to group undertakings	2,032	2,032
Corporation tax	43	68
	2,075	2,100

#### 11 Called up share capital

	2002	2001
	£'000	£'000
<b>Authorised, allotted and fully paid</b>		
Equity :		
5,000 (2001: 5,000) ordinary shares of £1 each	5	5
45,000 (2001: 45,000) 'A' ordinary shares of £1 each	45	45
	50	50

All shares rank equally in all respects.

#### 12 Profit and loss account

	2002
	£'000
At 1 January 2002	1,239
Profit for the financial year	25
<b>At 31 December 2002</b>	<b>1,264</b>

## Sykes-Pickavant Limited

### Notes to the financial statements for the year ended 31 December 2002 (continued)

#### 13 Reconciliation of movements in shareholders' funds

	2002	2001
	£'000	£'000
Profit for the year attributable to shareholders	25	223
Dividend	-	(2,032)
Net increase in shareholders funds	25	(1,809)
Opening shareholders' funds	1,289	3,098
Closing shareholders' funds	1,314	1,289

#### 14 Deferred taxation

The total potential deferred tax asset which has not been recognised in the financial statements is analysed as follows:

	2002	2001
	£'000	£'000
Excess of depreciation over capital allowances	180	180
Other short term timing differences	71	71
	251	251

#### 15 Contingent liabilities

The company has given unlimited cross guarantees to secure the bank borrowings of certain group undertakings. The total of this indebtedness at 31 December 2002 was £4,856,302 (2002: £5,223,542).

#### 16 Related party transactions

The company has taken advantage of the exemptions granted under paragraph 3(c) of the Financial Reporting Standard No 8 and has not disclosed transactions with other group companies. There are no other related party transactions requiring disclosure in the accounts.

## **Sykes-Pickavant Limited**

### **Notes to the financial statements for the year ended 31 December 2002 (continued)**

#### **17 Immediate parent undertaking and ultimate parent company**

The company's immediate parent undertaking is Sykes-Pickavent Group Limited, which is incorporated in the United Kingdom. The company's ultimate parent company is Fimalac SA, which is incorporated in France. The ultimate parent company is not controlled by any single party.

The results of the company are included within the consolidated financial statements of Fimalac SA, which are available from 97 Rue de Lille, Paris, France.