

**ROHM (GREAT BRITAIN) LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 1996**

Company Registration Number 00629431

**GARNERS**

Chartered Accountants & Registered Auditors

Bermuda House

45 High Street, Hampton Wick

Kingston upon Thames

Surrey KT1 4EH



**ROHM (GREAT BRITAIN) LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1996**

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**ROHM (GREAT BRITAIN) LIMITED****THE DIRECTORS' REPORT****YEAR ENDED 31 DECEMBER 1996**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 1996.

**PRINCIPAL ACTIVITIES**

The principal activity of the company in the year under review was that of importation and resale of machine tools.

**THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 Dec 96	At 1 Jan 96
B.J. Callan	-	-
B.T. Long	-	-
I.R. Remstedt	-	-
	<hr/>	<hr/>

I.R. Remstedt resigned as a director on 30 January 1996.

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements 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 financial statements comply with the Companies Act 1985. The directors 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.

**ROHM (GREAT BRITAIN) LIMITED**  
**THE DIRECTORS' REPORT (continued)**  
**YEAR ENDED 31 DECEMBER 1996**

**AUDITORS**

A resolution to re-appoint Garners as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**SMALL COMPANY EXEMPTIONS**

In preparing their report, the directors have taken advantage of the special exemptions from disclosure conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'B. Callan', written in a cursive style.

B.J Callan  
Company secretary

Approved by the directors on

19/2/1997

**ROHM (GREAT BRITAIN) LIMITED**  
**AUDITORS' REPORT TO THE SHAREHOLDERS**  
**YEAR ENDED 31 DECEMBER 1996**

We have audited the financial statements on pages 4 to 12 which have been prepared in accordance with the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described in the directors' report, the directors of the company are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**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 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 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 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 affairs of the company as at 31 December 1996 and of its profit for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Bermuda House  
45 High Street, Hampton Wick  
Kingston upon Thames  
Surrey KT1 4EH



GARNERS  
Chartered Accountants  
& Registered Auditors

21 Feb. 1997

**ROHM (GREAT BRITAIN) LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 1996**

	Note	1996 £	1995 £
<b>TURNOVER</b>	2	2,278,142	1,835,673
Cost of sales		(1,646,951)	(1,462,881)
<b>GROSS PROFIT</b>		631,191	372,792
Distribution costs		(122,950)	(84,599)
Administrative expenses		(347,041)	(302,188)
Other operating income		10,283	14,186
<b>OPERATING PROFIT</b>	3	171,483	191
Interest receivable and similar income	5	8,474	7,790
Interest payable and similar charges	6	(590)	(2,535)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		179,367	5,446
Tax on profit on ordinary activities	7	(61,755)	(5,423)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		117,612	23
Dividends		(88,210)	-
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		29,402	23
Balance brought forward		620,578	620,555
<b>BALANCE CARRIED FORWARD</b>		649,980	620,578

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

## ROHM (GREAT BRITAIN) LIMITED

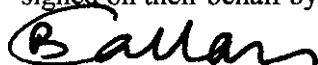
## BALANCE SHEET

31 DECEMBER 1996

	Note	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible assets	8	46,105	49,552
<b>CURRENT ASSETS</b>			
Stocks		279,894	278,154
Debtors	9	538,275	666,644
Cash at bank and in hand		250,802	47,652
		<u>1,068,971</u>	<u>992,450</u>
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(460,096)</u>	<u>(411,507)</u>
<b>NET CURRENT ASSETS</b>		608,875	580,943
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>654,980</u>	<u>630,495</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	11	-	(4,917)
<b>NET ASSETS</b>		<u>654,980</u>	<u>625,578</u>
<b>CAPITAL AND RESERVES</b>			
Equity share capital	17	5,000	5,000
Profit and loss account		649,980	620,578
<b>SHAREHOLDERS' FUNDS</b>		<u>654,980</u>	<u>625,578</u>

In preparing these accounts, the directors have taken advantage of the special accounting exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

These financial statements were approved by the directors on 19/2/97 and are signed on their behalf by:



B.J. Callan  
Director

**ROHM (GREAT BRITAIN) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1996**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention using the following accounting policies:

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	over term of lease
Office Equipment	25% on net book value
Computer Equipment	25% on net book value
Motor Vehicles	25% on net book value

**Stocks**

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

**Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.



**ROHM (GREAT BRITAIN) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1996**

**1. ACCOUNTING POLICIES (continued)**

**Deferred taxation**

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**2. TURNOVER**

The turnover and profit before tax are attributable to the principal activity of the company.

Overseas turnover amounted to 3% (1995 - 3%) of the total turnover for the year.

**3. OPERATING PROFIT**

Operating profit is stated after charging:

	1996 £	1995 £
Depreciation	15,775	16,652
Auditors' fees	3,450	3,250
Operating lease costs:		
Land and buildings	27,458	24,000
Plant and equipment	1,747	1,747
Other	6,607	7,775
Net profit on foreign currency translation	<u>(5,571)</u>	<u>(2,586)</u>

**4. DIRECTORS' EMOLUMENTS**

The directors' emoluments, including benefits in kind were:

	1996 £	1995 £
Aggregate emoluments	<u>147,872</u>	<u>127,896</u>

**ROHM (GREAT BRITAIN) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1996**

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	1996 £	1995 £
Bank interest receivable	<u>8,474</u>	<u>7,790</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	1996 £	1995 £
Finance charges	590	954
Other interest and similar charges	-	1,581
	<u>590</u>	<u>2,535</u>

**7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	1996 £	1995 £
Corporation tax based on the results for the year at 33% (1995 - 33%)	61,626	5,423
Adjustment to provision in previous years	129	-
	<u>61,755</u>	<u>5,423</u>

**ROHM (GREAT BRITAIN) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1996**

**8. TANGIBLE FIXED ASSETS**

	Short Leasehold Improvem'ts £	Office Equipm't £	Computer Equipm't £	Motor Vehicles £	Total £
<b>COST</b>					
At 1 January 1996	12,531	68,453	49,000	36,014	165,998
Additions	-	5,189	7,139	-	12,328
At 31 December 1996	<u>12,531</u>	<u>73,642</u>	<u>56,139</u>	<u>36,014</u>	<u>178,326</u>
<b>DEPRECIATION</b>					
At 1 January 1996	10,496	55,194	35,000	15,756	116,446
Charge for year	814	4,611	5,285	5,065	15,775
At 31 December 1996	<u>11,310</u>	<u>59,805</u>	<u>40,285</u>	<u>20,821</u>	<u>132,221</u>
<b>NET BOOK VALUE</b>					
At 31 December 1996	<u>1,221</u>	<u>13,837</u>	<u>15,854</u>	<u>15,193</u>	<u>46,105</u>
At 31 December 1995	<u>2,035</u>	<u>13,259</u>	<u>14,000</u>	<u>20,258</u>	<u>49,552</u>

**Finance lease agreements**

Included within the net book value £46,105 is £4,180 (1995 - £8,360) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £1,393 (1995 - £2,787).

**9. DEBTORS**

	1996 £	1995 £
Trade debtors	533,530	648,247
Directors loan account	2,500	2,500
ACT recoverable	-	6,214
Prepayments and accrued income	2,245	9,683
	<u>538,275</u>	<u>666,644</u>

**ROHM (GREAT BRITAIN) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1996**

**10. CREDITORS: Amounts falling due within one year**

	1996	1995
	£	£
Bank loans and overdrafts	-	2,581
Trade creditors	12,932	51,694
Amounts owed to group undertakings	230,010	241,056
Other creditors including:		
Payments received on account	12,579	6,156
Advance Corporation Tax	22,053	-
Corporation Tax	39,573	2,187
PAYE and social security	10,703	9,074
VAT	75,545	78,014
Finance leases	4,690	4,100
Other creditors	-	8,013
Directors current accounts	62	1,303
	<u>165,205</u>	<u>108,847</u>
Accruals and deferred income	51,949	7,329
	<u>460,096</u>	<u>411,507</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1996	1995
	£	£
Finance leases	<u>4,690</u>	<u>4,100</u>

**11. CREDITORS: Amounts falling due after more than one year**

	1996	1995
	£	£
Finance leases	<u>-</u>	<u>4,917</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1996	1995
	£	£
Finance leases	<u>-</u>	<u>4,917</u>

**ROHM (GREAT BRITAIN) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. PENSIONS**

The pension cost charged represents contributions payable by the company to the funds and amounted to £10,817 (1995 - £11,661), all of which were paid to the funds during the year concerned.

**13. DEFERRED TAXATION**

No provision has been made in the accounts and the amounts unprovided at the end of the year are as follows:-

	1996 £	1995 £
Excess of taxation allowances over depreciation	<u>(797)</u>	<u>(1,661)</u>

**14. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS**

Future commitments under finance lease agreements are as follows:

	1996 £	1995 £
Amounts payable within 1 year	4,917	4,917
Amounts payable between 2 to 5 years	<u>-</u>	<u>4,917</u>
	4,917	9,834
Less interest and finance charges relating to future periods	<u>(227)</u>	<u>(817)</u>
	<u>4,690</u>	<u>9,017</u>

**15. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 1996 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings £	Other items £
Operating leases which expire:		
Within 1 year	27,500	-
Within 2 to 5 years	<u>-</u>	<u>8,354</u>
	<u>27,500</u>	<u>8,354</u>

**ROHM (GREAT BRITAIN) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1996**

**16. TRANSACTIONS WITH THE DIRECTORS**

Loan to director - a loan to Mr B T Long for the purpose of liasing assistance remains outstanding as follows:-

	£
At 1st January 1996	2,500
Maximum liability during the year	2,500
At 31st December 1996	2,500

The loan is interest free and is repayable on demand.

**17. SHARE CAPITAL****Authorised share capital:**

	1996 £	1995 £
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

**Allotted, called up and fully paid:**

	1996 £	1995 £
Ordinary share capital	<u>5,000</u>	<u>5,000</u>

**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1996 £	1995 £
Profit for the financial year	117,612	23
Dividends	<u>(88,210)</u>	<u>-</u>
	29,402	23
Opening shareholders' equity funds	<u>625,578</u>	<u>625,555</u>
Closing shareholders' equity funds	<u>654,980</u>	<u>625,578</u>

**19. ULTIMATE PARENT COMPANY**

The company's ultimate holding is Rohm Gmbh, a company incorporated in Germany.