

ROHM (GREAT BRITAIN) LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1995

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 1995

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ROHM (GREAT BRITAIN) LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 31 DECEMBER 1995**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 1995.

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 95	At 1 Jan 95
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 1995

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

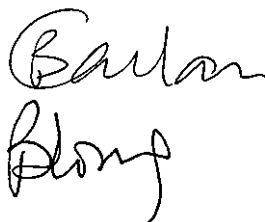
In preparing their report, the directors have taken advantage of the special exemptions from disclosure conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

Signed on behalf of the directors



B.J Callan
Company secretary

Approved by the directors on 26/2/96



ROHM (GREAT BRITAIN) LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 DECEMBER 1995

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 1995 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
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Surrey KT1 4EH


GARNERS
Chartered Accountants
& Registered Auditors

Date: 27.2.96

ROHM (GREAT BRITAIN) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 1995

	Note	1995 £	1994 £
TURNOVER	2	1,835,673	1,892,266
Cost of sales		(1,462,881)	(1,421,833)
GROSS PROFIT		372,792	470,433
Distribution costs		(84,599)	(126,438)
Administrative expenses		(302,188)	(293,689)
Other operating income		14,186	11,705
OPERATING PROFIT	3	191	62,011
Interest receivable and similar income	5	7,790	9,255
Interest payable and similar charges	6	(2,535)	(1,893)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,446	69,373
Tax on profit on ordinary activities	7	(5,423)	(27,319)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		23	42,054
Dividends		-	(37,800)
RETAINED PROFIT FOR THE FINANCIAL YEAR		23	4,254
Balance brought forward		620,555	616,301
BALANCE CARRIED FORWARD		620,578	620,555

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 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	8	49,552	63,333
CURRENT ASSETS			
Stocks		278,154	259,134
Debtors	9	666,644	661,644
Cash at bank and in hand		47,652	47,302
		<u>992,450</u>	<u>968,080</u>
CREDITORS: Amounts falling due within one year	10	<u>(411,507)</u>	<u>(396,841)</u>
NET CURRENT ASSETS		580,943	571,239
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>630,495</u>	<u>634,572</u>
CREDITORS: Amounts falling due after more than one year	11	<u>(4,917)</u>	<u>(9,017)</u>
NET ASSETS		<u>625,578</u>	<u>625,555</u>
CAPITAL AND RESERVES			
Equity share capital	17	5,000	5,000
Profit and loss account		620,578	620,555
SHAREHOLDERS' FUNDS		<u>625,578</u>	<u>625,555</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 26/2/96 and are signed on their behalf by:



B.J. CALLAN
Director

ROHM (GREAT BRITAIN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1995

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 1995

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 one principal activity of the company.

Overseas turnover amounted to 3% (1994 - 4%) of the total turnover for the year.

3. OPERATING PROFIT

Operating profit is stated after charging:

	1995 £	1994 £
Depreciation	16,652	22,122
Profit on disposal of fixed assets	-	(253)
Auditors' fees	3,250	3,000
Operating lease costs:		
Land and buildings	24,000	23,100
Plant and equipment	1,747	1,747
Vehicles	7,775	11,494
Net profit on foreign currency translation	<u>(2,586)</u>	<u>(5,458)</u>

4. DIRECTORS' EMOLUMENTS

The directors' emoluments were:

	1995 £	1994 £
Aggregate emoluments	<u>127,896</u>	<u>129,808</u>

ROHM (GREAT BRITAIN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1995

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £	1994 £
Bank interest receivable	<u>7,790</u>	<u>9,255</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Finance charges	954	1,317
Other interest and similar charges	<u>1,581</u>	<u>576</u>
	<u>2,535</u>	<u>1,893</u>

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
Corporation tax based on the results for the year at 33% (1994 - 33%)	5,423	27,313
Adjustment to provision in previous years	-	6
	<u>5,423</u>	<u>27,319</u>

ROHM (GREAT BRITAIN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1995

8. TANGIBLE FIXED ASSETS

	Short Leasehold Improvem'ts £	Office Equipm't £	Computer Equipm't £	Motor Vehicles £	Total £
COST					
At 1 January 1995	12,531	65,967	48,615	36,014	163,127
Additions	-	2,486	385	-	2,871
At 31 December 1995	<u>12,531</u>	<u>68,453</u>	<u>49,000</u>	<u>36,014</u>	<u>165,998</u>
DEPRECIATION					
At 1 January 1995	9,682	50,775	30,334	9,003	99,794
Charge for year	814	4,419	4,666	6,753	16,652
At 31 December 1995	<u>10,496</u>	<u>55,194</u>	<u>35,000</u>	<u>15,756</u>	<u>116,446</u>
NET BOOK VALUE					
At 31 December 1995	<u>2,035</u>	<u>13,259</u>	<u>14,000</u>	<u>20,258</u>	<u>49,552</u>
At 31 December 1994	<u>2,849</u>	<u>15,192</u>	<u>18,281</u>	<u>27,011</u>	<u>63,333</u>

Finance lease agreements

Included within the net book value £49,552 is £8,360 (1994 - £11,147) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £2,787 (1994 - £3,716).

9. DEBTORS

	1995 £	1994 £
Trade debtors	648,247	646,998
Directors loan account	2,500	2,500
ACT recoverable against future taxation	6,214	9,450
Prepayments and accrued income	9,683	2,696
	<u>666,644</u>	<u>661,644</u>

ROHM (GREAT BRITAIN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1995

10. CREDITORS: Amounts falling due within one year

	1995		1994
	£	£	£
Bank loans and overdrafts	2,581		-
Trade creditors	51,694		17,443
Amounts owed to group undertakings	241,056		180,060
Other creditors including:			
Payments received on account	6,156		-
Advance Corporation Tax	-		17,869
Corporation Tax	2,187		18,894
PAYE and social security	9,074		13,653
VAT	78,014		79,052
Finance leases	4,100		3,963
Dividends payable	-		37,800
Other creditors	8,013		-
Directors current accounts	1,303		-
	<u>108,847</u>		<u>171,231</u>
Accruals and deferred income	7,329		28,107
	<u>411,507</u>		<u>396,841</u>

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

	1995	1994
	£	£
Finance leases	<u>4,100</u>	<u>3,963</u>

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

	1995	1994
	£	£
Finance leases	<u>4,917</u>	<u>9,017</u>

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

	1995	1994
	£	£
Finance leases	<u>4,917</u>	<u>9,017</u>

ROHM (GREAT BRITAIN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1995

12. PENSIONS

The pension cost charged represents contributions payable by the company to the funds and amounted to £11,661 (1994 - £9,306), 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:-

	1995 £	1994 £
Excess of taxation allowances over depreciation	<u>(1,661)</u>	<u>(2,586)</u>

14. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	1995 £	1994 £
Amounts payable within 1 year	4,917	4,917
Amounts payable between 2 to 5 years	<u>4,917</u>	<u>9,834</u>
	9,834	14,751
Less interest and finance charges relating to future periods	<u>(817)</u>	<u>(1,771)</u>
	<u>9,017</u>	<u>12,980</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 1995 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings £	Other items £
Operating leases which expire:		
Within 2 to 5 years	<u>24,000</u>	<u>8,354</u>

ROHM (GREAT BRITAIN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1995

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 1995	2,500
Maximum liability during the year	2,500
At 31st December 1995	2,500

The loan is interest free and is repayable on demand.

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

	1995 £	1994 £
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

Allotted, called up and fully paid:

	1995 £	1994 £
Ordinary share capital	<u>5,000</u>	<u>5,000</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the financial year	23	42,054
Dividends	-	(37,800)
	<u>23</u>	<u>4,254</u>
Opening shareholders' equity funds	<u>625,555</u>	<u>621,301</u>
Closing shareholders' equity funds	<u>625,578</u>	<u>625,555</u>

19. ULTIMATE PARENT COMPANY

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