

Company Number: 1716114

**Pendax UK Ltd**  
**Financial Statements**  
**for the year ended 31st December 2001**



**Chairman**

J Ellwood

**Registered Office**

57 Suttons Park Avenue  
Earley  
Reading  
RG6 1AZ

**Directors**

J S Bedford  
C Shaw  
K P Lloyd-Wright  
R B Baldwin

**Secretary**

R B Baldwin

**Auditors**

BKR Haines Watts  
7 - 11 Station Road  
Reading  
Berkshire  
RG1 1LG

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**Directors' Report**

**for the year ended 31st December 2001**

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The directors submit their report together with the audited financial statements for the year ended 31st December 2001.

**Directors' Statement**

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 and of the profit for that year. In preparing those financial statements 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 financial statements;

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 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.

**Results and Dividends**

The profit on the ordinary activities of the company before taxation amounted to £276,319. After deducting taxation and dividends, the profit of £101,196 has been transferred to reserves.

Interim dividends amounting to £100,000 were paid during the year. The directors do not recommend any final dividend.

**Principal Activity and Business Review**

The principal activity of the company continued to be that of manufacture and distribution of audio-visual training and presentation equipment.

**Directors**

The directors, none of whom is beneficially interested in the shares of the company, who served during the year were as follows:

J S Bedford

C Shaw

K P Lloyd-Wright

R B Baldwin                      appointed 01/01/01

Directors' Report

for the year ended 31st December 2001

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**Auditors**

The Auditors, BKR Haines Watts, Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board: 04 MAR 2002



R B Baldwin, Secretary

**Independent Auditors' Report to the Shareholders**

**on the Financial Statements for the year ended 31st December 2001**

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We have audited the financial statements on pages 4 to 13, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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.

We report to you 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 Director's 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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 as at 31st December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*BKR Haines Watts*

**BKR Haines Watts Reading  
Chartered Accountants  
and Registered Auditors  
7/11 Station Road  
Reading  
BERKS  
RG1 1LG**

*11 March 2002*

## Profit and Loss Account

for the year ended 31st December 2001

	Notes	2001 £	2000 £
<b>Turnover</b>	2	6,430,481	6,955,770
Cost of sales		(3,732,513)	(4,204,644)
<b>Gross profit</b>		2,697,968	2,751,126
Administrative expenses		(2,419,744)	(2,494,909)
<b>Operating profit</b>	3	278,224	256,217
Interest receivable	4	10,638	10
Interest payable	5	(12,543)	(37,096)
<b>Profit on ordinary activities before Taxation</b>		276,319	219,131
Tax on profit on ordinary activities	7	(75,123)	(75,915)
<b>Profit on ordinary activities after Taxation</b>		201,196	143,216
Dividends	8	(100,000)	(274,000)
<b>Retained profit/(loss) transferred to/(from) reserves</b>	19	101,196	(130,784)
Retained profit brought forward		523,228	654,012
<b>Retained profit carried forward</b>		624,424	523,228

*All amounts relate to continuing activities.*

*There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.*

## Balance Sheet

as at 31st December 2001

	Notes	2001 £	2001 £	2000 £	2000 £
<b>Fixed Assets</b>					
Tangible fixed assets	9		197,964		287,926
Investments	10		-		27,292
			<u>197,964</u>		<u>315,218</u>
<b>Current Assets</b>					
Stock	12	423,626		485,248	
Debtors	13	845,008		1,076,972	
Cash at Bank and in Hand		148,154		-	
		<u>1,416,788</u>		<u>1,562,220</u>	
<b>Creditors:</b>					
Amounts falling due within one year	14	(980,328)		(1,334,247)	
<b>Net Current Assets</b>			<u>436,460</u>		<u>227,973</u>
<b>Total Assets Less Current Liabilities</b>			<u>634,424</u>		<u>543,191</u>
<b>Creditors:</b>					
Amounts falling due after more than one year	15		-		(9,963)
			<u>634,424</u>		<u>533,228</u>
<b>Capital and Reserves</b>					
Share capital	18		10,000		10,000
Profit and loss account	19		624,424		523,228
<b>Equity Shareholders' Funds</b>	20		<u>634,424</u>		<u>533,228</u>

These accounts were approved by the board on . 04 MAR 2002



J S Bedford



R B Baldwin

Directors



## Notes to the Financial Statements

for the year ended 31st December 2001

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**1 Principal Accounting Policies*****Accounting Convention***

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

***Consolidation***

The company is exempt by virtue of s248 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cashflow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Pendax Holdings AB, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Pendax Holdings AB, within which this company is included, can be obtained from the address given in note 25.

***Turnover***

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

***Depreciation***

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Leasehold land and buildings	straight line over the period of the lease
Motor vehicles	25% straight line
Fixtures and fittings	20% straight line

***Investments***

Investments are included at cost. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

***Stocks***

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

***Deferred Taxation***

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

## Notes to the Financial Statements

for the year ended 31st December 2001

**Foreign Currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.

**Contribution to Pension Funds**

The company operates a defined contribution pension scheme.

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

**Leased Assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

**2 Turnover**

The turnover and operating profit for the year was derived from the company's principal activity as was carried out wholly in the UK.

**3 Operating Profit**

The operating profit is stated after charging or crediting:

	2001	2000
	£	£
Other operating lease rentals	90,488	91,800
Amounts payable to the auditors in respect of audit services	7,500	7,500
Amounts payable to the auditors in respect of non audit services	12,374	10,863
Depreciation - owned assets	92,306	109,723
Depreciation - assets held under hire purchase or finance lease contracts	33,618	37,074
(Profit) on disposal of fixed assets	(4,640)	(11,876)
(Profit)/Loss on foreign exchange	(11,205)	281
	<u>          </u>	<u>          </u>

**4 Interest Receivable**

	2001	2000
	£	£
Deposit interest receivable	507	10
Loan interest receivable	10,131	-
	<u>          </u>	<u>          </u>

## Notes to the Financial Statements

for the year ended 31st December 2001

<b>5</b>	<b>Interest Payable</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	8,338	30,407
	Hire purchase and finance lease interest	4,205	6,689
		<u>12,543</u>	<u>37,096</u>

**6 Directors and Employees**

Staff costs during the year were as follows:

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,295,018	1,364,071
Social security costs	135,786	142,866
Other pension costs	28,386	24,293
	<u>1,459,190</u>	<u>1,531,230</u>

The average monthly number of employees, including directors, during the year was as follows:

	<b>2001</b>	<b>2000</b>
	<b>Number</b>	<b>Number</b>
Administration	14	15
Selling and distribution	22	22
	<u>36</u>	<u>37</u>

Remuneration in respect of directors was as follows:

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Aggregate amount of emoluments paid in respect of qualifying services	<u>332,737</u>	<u>284,866</u>

Other directors disclosures in respect of qualifying services:

	<b>2001</b>	<b>2000</b>
	<b>Number</b>	<b>Number</b>
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	<u>4</u>	<u>3</u>

Highest paid director disclosures in respect of qualifying services:

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	109,128	118,912
Aggregate value of company contributions to money purchase pension schemes	<u>7,688</u>	<u>7,500</u>

## Notes to the Financial Statements

for the year ended 31st December 2001

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Tax on Profit on Ordinary Activities	2001 £	2000 £
Based on the profit for the year:		
U.K. Corporation tax at 30% (2000 30%)	86,290	75,853
Prior year adjustments - corporation tax	(11,167)	62
	<u>75,123</u>	<u>75,915</u>

8

Dividends	2001 £	2000 £
Equity		
Ordinary shares - interim paid of £10.00 per share (2000 £27.40)	<u>100,000</u>	<u>274,000</u>

9

Tangible Fixed Assets	Leasehold land and buildings	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£
At 1st January 2001	20,000	291,383	638,752	950,135
Additions	-	-	61,942	61,942
Disposals	-	(120,887)	(156,703)	(277,590)
At 31st December 2001	<u>20,000</u>	<u>170,496</u>	<u>543,991</u>	<u>734,487</u>
Depreciation				
At 1st January 2001	15,202	199,787	447,220	662,209
Charged for the year	1,032	44,830	80,062	125,924
Eliminated on disposal	-	(94,915)	(156,695)	(251,610)
At 31st December 2001	<u>16,234</u>	<u>149,702</u>	<u>370,587</u>	<u>536,523</u>
Net Book Value				
Owned assets	3,766	-	149,330	153,096
Leased assets	-	20,794	24,074	44,868
At 31st December 2001	<u>3,766</u>	<u>20,794</u>	<u>173,404</u>	<u>197,964</u>
Owned assets	4,798	37,324	150,062	192,184
Leased assets	-	54,272	41,470	95,742
At 31st December 2000	<u>4,798</u>	<u>91,596</u>	<u>191,532</u>	<u>287,926</u>

## Notes to the Financial Statements

for the year ended 31st December 2001

**10 Fixed Asset Investments**

	Shares in Group Undertaking £
<b>Cost</b>	
At 1st January 2001	27,292
At 31st December 2001	27,292
<b>Amounts Written Off</b>	
Permanent diminution in value	27,292
At 31st December 2001	27,292
<b>Net Book Value</b>	
At 31st December 2001	-
At 1st January 2001	27,292

**11 Principal Fixed Asset Investments**

The company holds more than 20% of the share capital of the following:

Name	Country of Registration (or Incorporation) and Operation	Class of Share	Proportion Held	Nature of Business	Total Reserves	Net Profit for the Year
					£	£
<i>Principal subsidiary undertakings:</i>						
Pendax NV	Belgium	Ordinary shares	100%	Dormant	-	-

<b>12 Stocks</b>	<b>2001</b>	<b>2000</b>
	£	£
Finished goods for resale.	423,626	485,248
<b>13 Debtors</b>	<b>2001</b>	<b>2000</b>
	£	£
Trade debtors	703,824	980,214
Other debtors	5,688	6,646
Prepayments and accrued income	135,496	90,112
	845,008	1,076,972

## Notes to the Financial Statements

for the year ended 31st December 2001

<b>14</b>	<b>Creditors: Amounts falling due within one year</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	-	237,119
	Net obligations under hire purchase and finance lease contracts	8,672	37,641
	Trade creditors	588,382	622,704
	Amounts owed to subsidiary undertakings	-	31,800
	Corporation tax	86,290	75,853
	Other taxes and social security	111,480	83,345
	Other creditors	15,647	4,531
	Accruals and deferred income	169,857	241,254
		<u>980,328</u>	<u>1,334,247</u>

The bank overdraft is secured by a floating charge over the assets of the company.

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

<b>15</b>	<b>Creditors: Amounts falling due after one year</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Net obligations under hire purchase and finance lease contracts	-	9,963
		<u>-</u>	<u>9,963</u>

Bank loans repayable by instalments are as follows:-

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Within one year	-	62,500
<b>Total bank loan repayments</b>	<u>-</u>	<u>62,500</u>

<b>16</b>	<b>Obligations Under Hire Purchase and Finance Lease</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Obligations under finance leases and hire purchase contracts are analysed as follows:		
	Within one year	8,672	37,641
	Between one and two years	-	9,963
		<u>8,672</u>	<u>47,604</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

## Notes to the Financial Statements

for the year ended 31st December 2001

## 17 Deferred Taxation

Deferred taxation provided and unprovided for in the financial statements is set out below. The amount unprovided represents a deferred asset at the Balance Sheet date and is calculated using a tax rate of 30%.

	Amount Provided		Amount Unprovided	
	2001	2000	2001	2000
	£	£	£	£
Accelerated capital allowances	-	-	(16,989)	(10,745)
	-	-	(16,989)	(10,745)

## 18 Share Capital

Authorised	2001	2000
	£	£
10,000 Ordinary shares of £1 each (2000: 10,000)	10,000	10,000
	10,000	10,000
<b>Allotted, called up and fully paid</b>		
	2001	2000
	£	£
10,000 Ordinary shares of £1 each (2000: 10,000)	10,000	10,000

## 19 Reserves

	Profit and Loss Account
	£
At 1st January 2001	523,228
Profit for the year	101,196
At 31st December 2001	624,424

## 20 Reconciliation of the Movement in Shareholders' Funds

	2001	2000
	£	£
Profit for the financial year	201,196	143,216
Dividends	(100,000)	(274,000)
	101,196	(130,784)
Increase/(Decrease) in shareholders' funds	101,196	(130,784)
Opening shareholders' funds	533,228	664,012
Closing shareholders' funds	634,424	533,228

## Notes to the Financial Statements

for the year ended 31st December 2001

**21 Operating Lease Commitments**

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	<b>2001</b>	<b>2000</b>
	<b>Land and</b>	<b>Land and</b>
	<b>buildings</b>	<b>buildings</b>
	<b>£</b>	<b>£</b>
Expiring:		
Within one year	-	-
Within two to five years	-	37,700
After five years	122,176	54,100
	<u>122,176</u>	<u>91,800</u>

**22 Pensions - Defined Contribution Scheme**

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

**23 Contingent Liabilities**

Counter Indemnities

At 31 December, counter indemnities totalling £10,000 were in existence (2000:£60,000).

**24 Related Party Transactions**

During the year the company purchased on an arms length basis, goods to the value of £75,525 (2000:£70,160) from Octopus Limited, a business in which Mr J S Bedford has an interest. The company owed Octopus Limited £7,816 (2000:£11,495) at the year end.

**25 Ultimate Parent Undertaking**

The company is a subsidiary undertaking of Pendax Holdings AB, a company incorporated in Sweden.

The consolidated accounts of this company are available to the public and may be obtained from:

Pendax Holdings AB  
Post Box 2042  
12202 Stockholm  
Sweden