

Company Number: 1716114

**Pendax UK Ltd**  
**Financial Statements**  
**for the year ended 31st December 2000**



**Chairman**

P. Thunander

**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 Reading  
7/11 Station Road  
Reading  
BERKS  
RG1 1LG

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**Directors' Report**

**for the year ended 31st December 2000**

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The directors submit their report together with the audited financial statements for the year ended 31st December 2000.

**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 or loss 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 £219,131. After deducting taxation and dividends, the loss of £130,784 has been transferred from reserves.

An interim dividend of £274,000 (£27.40 per share) was paid during the year.

The directors do not recommend a 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 and their Interests**

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	2000 No.	1999 No.
J S Bedford	-	-
C Shaw	-	-
K P Lloyd-Wright	-	-

**Directors' Report**

**for the year ended 31st December 2000**

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**Auditors**

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

By Order of the Board: **5 - MAR 2001**



R B Baldwin, Secretary

**Auditors' Report to the Shareholders**

**on the Financial Statements for the year ended 31st December 2000**

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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 pages 6 to 7.

**Respective responsibilities of the directors and auditors**

As described on page 1 the company's directors 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 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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*BKR Haines Watts*

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

*12 March 2001*

## Profit and Loss Account

for the year ended 31st December 2000

	Notes	2000 £	1999 £
<b>Turnover</b>	2	6,955,770	4,664,755
Cost of sales		(4,204,644)	(2,811,432)
<b>Gross profit</b>		2,751,126	1,853,323
Administrative expenses		(2,494,909)	(2,059,122)
<b>Operating profit/(loss)</b>	3	256,217	(205,799)
Interest receivable	4	10	161
Interest payable	5	(37,096)	(37,771)
<b>Profit/(Loss) on ordinary activities before Taxation</b>		219,131	(243,409)
Tax on profit/(loss) on ordinary activities	7	(75,915)	61,146
<b>Profit/(Loss) on ordinary activities after Taxation</b>		143,216	(182,263)
Dividends	8	(274,000)	(52,000)
<b>Retained loss transferred from reserves</b>	19	(130,784)	(234,263)
Retained profit brought forward		654,012	888,275
<b>Retained profit carried forward</b>		523,228	654,012

*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 2000

	Notes	2000 £	2000 £	1999 £	1999 £
<b>Fixed Assets</b>					
Tangible fixed assets	9		287,926		336,991
Investments	10		27,292		27,292
			<u>315,218</u>		<u>364,283</u>
<b>Current Assets</b>					
Stock	12	485,248		569,962	
Debtors	13	1,076,972		1,318,917	
Cash at Bank and in Hand		-		2,270	
		<u>1,562,220</u>		<u>1,891,149</u>	
<b>Creditors:</b>					
Amounts falling due within one year	14	(1,334,247)		(1,496,919)	
<b>Net Current Assets</b>			<u>227,973</u>		<u>394,230</u>
<b>Total Assets Less Current Liabilities</b>			<u>543,191</u>		<u>758,513</u>
<b>Creditors:</b>					
Amounts falling due after more than one year	15		(9,963)		(94,501)
			<u>533,228</u>		<u>664,012</u>
<b>Capital and Reserves</b>					
Share capital	18		10,000		10,000
Profit and loss account	19		523,228		654,012
Equity Shareholders' Funds	20		<u>533,228</u>		<u>664,012</u>

These accounts were approved by the board on **5 - MAR 2001**


J S Bedford



R B Baldwin

**Directors**



## Notes to the Financial Statements

for the year ended 31st December 2000

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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 2000

**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/(loss) for the year was derived from the company's principal activity as was carried out wholly in the UK.

**3 Operating Profit/(Loss)**

The operating profit/(loss) is stated after charging or crediting:

	2000	1999
	£	£
Other operating lease rentals	91,800	72,950
Amounts payable to the auditors in respect of audit services	7,500	10,720
Amounts payable to the auditors in respect of non audit services	10,863	2,900
Depreciation - owned assets	109,723	88,881
Depreciation - assets held under hire purchase or finance lease contracts	37,074	75,870
(Profit) on disposal of fixed assets	(11,876)	-
Loss on foreign exchange	281	467
	<u>281</u>	<u>467</u>

**4 Interest Receivable**

	2000	1999
	£	£
Deposit interest receivable	10	161
	<u>10</u>	<u>161</u>

## Notes to the Financial Statements

for the year ended 31st December 2000

<b>5</b>	<b>Interest Payable</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	30,407	27,853
	Hire purchase and finance lease interest	6,689	9,918
		<u>37,096</u>	<u>37,771</u>

**6 Directors and Employees**

Staff costs during the year were as follows:

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,364,071	1,040,690
Social security costs	142,866	102,399
Other pension costs	24,293	20,562
	<u>1,531,230</u>	<u>1,163,651</u>

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

	<b>2000</b>	<b>1999</b>
	<b>Number</b>	<b>Number</b>
Administration	15	15
Selling and distribution	22	20
	<u>37</u>	<u>35</u>

Remuneration in respect of directors was as follows:

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Aggregate amount of emoluments paid in respect of qualifying services	<u>284,866</u>	<u>228,318</u>

Other directors disclosures in respect of qualifying services:

	<b>2000</b>	<b>1999</b>
	<b>Number</b>	<b>Number</b>
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	<u>3</u>	<u>3</u>

Highest paid director disclosures in respect of qualifying services:

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	118,912	87,779
Aggregate value of company contributions to money purchase pension schemes	<u>7,500</u>	<u>3,156</u>

## Notes to the Financial Statements

for the year ended 31st December 2000

7	<b>Tax on Profit/(Loss) on Ordinary Activities</b>	<b>2000</b>	<b>1999</b>		
		<b>£</b>	<b>£</b>		
	<b>Based on the profit/(loss) for the year:</b>				
	U.K. Corporation tax at 30% (1999 30%)	75,853	(61,146)		
	Prior year adjustments - corporation tax	62	-		
		<u>75,915</u>	<u>(61,146)</u>		
8	<b>Dividends</b>	<b>2000</b>	<b>1999</b>		
		<b>£</b>	<b>£</b>		
	<b>Equity</b>				
	Ordinary shares - interim paid of £27.40 per share (1999 £5.20)	<u>274,000</u>	<u>52,000</u>		
9	<b>Tangible Fixed Assets</b>				
		<b>Leasehold land and buildings</b>	<b>Motor vehicles</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	At 1st January 2000	20,000	355,813	564,420	940,233
	Additions	-	30,095	77,434	107,529
	Disposals	-	(94,525)	(3,102)	(97,627)
	At 31st December 2000	<u>20,000</u>	<u>291,383</u>	<u>638,752</u>	<u>950,135</u>
	<b>Depreciation</b>				
	At 1st January 2000	14,170	219,472	369,600	603,242
	Charged for the year	1,032	65,043	80,722	146,797
	Eliminated on disposal	-	(84,728)	(3,102)	(87,830)
	At 31st December 2000	<u>15,202</u>	<u>199,787</u>	<u>447,220</u>	<u>662,209</u>
	<b>Net Book Value</b>				
	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>
	Owned assets	5,830	88,779	58,646	153,255
	Leased assets	-	47,562	136,174	183,736
	At 31st December 1999	<u>5,830</u>	<u>136,341</u>	<u>194,820</u>	<u>336,991</u>

## Notes to the Financial Statements

for the year ended 31st December 2000

## 10 Fixed Asset Investments

	Shares in Group Undertakings £
<b>Cost</b>	
At 1st January 2000	27,292
Disposals	-
At 31st December 2000	27,292
<b>Net Book Value</b>	
At 31st December 2000	27,292
At 1st January 2000	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	-	-

12	Stocks	2000 £	1999 £
	Finished goods for resale.	485,248	569,962
13	Debtors	2000 £	1999 £
	Trade debtors	980,214	1,016,768
	Amounts owed by group undertakings	-	160,000
	Other debtors	6,646	66,383
	Prepayments and accrued income	90,112	75,766
		1,076,972	1,318,917

## Notes to the Financial Statements

for the year ended 31st December 2000

<b>14</b>	<b>Creditors: Amounts falling due within one year</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	237,119	285,175
	Net obligations under hire purchase and finance lease contracts	37,641	53,423
	Trade creditors	622,704	818,888
	Amounts owed to subsidiary undertakings	31,800	31,800
	Corporation tax	75,853	15,430
	Other taxes and social security	83,345	71,620
	Other creditors	4,531	4,270
	Accruals and deferred income	241,254	216,313
		<u>1,334,247</u>	<u>1,496,919</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>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Bank loans	-	62,500
	Net obligations under hire purchase and finance lease contracts	9,963	32,001
		<u>9,963</u>	<u>94,501</u>

Bank loans repayable by instalments are as follows:-

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Between one and two years	-	62,500
	<u>-</u>	<u>62,500</u>
Within one year	62,500	50,000
<b>Total bank loan repayments</b>	<u>62,500</u>	<u>112,500</u>

<b>16</b>	<b>Obligations Under Hire Purchase and Finance Lease</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Obligations under finance leases and hire purchase contracts are analysed as follows:		
	Within one year	37,641	53,423
	Between one and two years	9,963	-
		<u>47,604</u>	<u>53,423</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 2000

## 17 Deferred Taxation

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

	Amount Provided		Amount Unprovided	
	2000	1999	2000	1999
	£	£	£	£
Accelerated capital allowances	-	-	(10,745)	(11,692)
	-	-	(10,745)	(11,692)

## 18 Share Capital

Authorised	2000	1999
	£	£
10,000 Ordinary shares of £1 each (1999: 10,000)	10,000	10,000
	10,000	10,000
Allotted, called up and fully paid	2000	1999
	£	£
10,000 Ordinary shares of £1 each (1999: 10,000)	10,000	10,000

## 19 Reserves

	Profit and Loss Account
	£
At 1st January 2000	654,012
Loss for the year	(130,784)
At 31st December 2000	523,228

## 20 Reconciliation of the Movement in Shareholders' Funds

	2000	1999
	£	£
Profit/(Loss) for the financial year	143,216	(182,263)
Dividends	(274,000)	(52,000)
	(130,784)	(234,263)
(Decrease) in shareholders' funds	(130,784)	(234,263)
Opening shareholders' funds	664,012	898,275
Closing shareholders' funds	533,228	664,012

## Notes to the Financial Statements

for the year ended 31st December 2000

**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>2000</b>	<b>1999</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	37,700
After five years	54,100	54,100
	<u>91,800</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 £60,000 were in existence.(1999:£60,000)

**24 Related Party Transactions**

During the year the company purchased on an arms length basis, goods to the value of £70,160 (1999:£36,333) from Octopus Limited, a business in which Mr J S Bedford has an interest. The company owed Octopus Limited £11,495 (1999:£4,463) 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