

Registered Number: 01897323

FELLER (UK) LIMITED

ABBREVIATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2001

TENON

Accountants & Business Advisers
19 Borough Road
Sunderland
SR1 1LA



FELLER (UK) LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

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FELLER (UK) LIMITED

**COMPANY INFORMATION
AT 31 DECEMBER 2001**

DIRECTORS

J.N. James
B. Ascher

SECRETARY

B. Ascher

REGISTERED OFFICE

Unit 1
Middlefields Industrial Estate
South Shields
NE34 0NU

BUSINESS ADDRESS

Unit 1
Middlefields Industrial Estate
South Shields
NE34 0NU

ACCOUNTANTS

Tenon
Accountants & Business Advisers
19 Borough Road
Sunderland
SR1 1LA

AUDITORS

Blueprint Audit Limited
Registered Auditor
19 Borough Road
Sunderland
SR1 1LA

PRINCIPAL BANKERS

Barclays Bank plc
53 Fawcett Street
Sunderland

FELLER (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company in the year was the manufacture of Power Supply Cords and Cord Sets.

No significant change in the nature of these activities occurred during the year.

The decrease in turnover in 2001 was largely due to the changed worldwide economic situation and had strong effects on the performance of the company.

Whereas the proportional gross profit shows an increase from 16.4% of sales in 2000 to 18% in 2001, the increased administrative expenses have led to the loss on ordinary activities before taxation.

With the measures in cost saving taken during 2001, with the strengthening of sales activities and without any major negative economic influences the directors are confident that there will be positive result in 2002.

RESULTS AND DIVIDENDS

The net loss after providing for taxation amounted to £16,732.

No dividends were paid during the year and no recommendation is made as to dividends.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the ultimate parent company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

	Number of Shares	
	2001	2000
J.N. James	-	-
B. Ascher	-	-

FELLER (UK) LIMITED

DIRECTORS' REPORT

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 as at the end of the financial year and of the profit or loss of the company for that period. 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;
- 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 maintaining 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. 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

The auditors, Jennings Johnson, have transferred their audit business to Blueprint Audit Limited. In accordance with section 26 of the Companies Act 1989, Blueprint Audit Limited have been appointed as auditors to succeed Jennings Johnson, and will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board:



B. Ascher
Secretary

Date: 15 April 2002

FELLER (UK) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 5 to 17 together with the full financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 December 2001.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 A(3) of the Companies Act 1985 and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

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 as to whether 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 company is entitled to deliver abbreviated accounts prepared in accordance with section 246 A(3) of the Companies Act 1985 and the abbreviated accounts on pages 5 to 17 have been properly prepared in accordance with that provision.

Date: 15 April 2002

19 Borough Road
Sunderland
SR1 1LA

Blueprint Audit Limited

*Blueprint Audit Limited
Registered Auditor*

FELLER (UK) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	2001 £	2000 £
GROSS PROFIT		430,200	492,390
Administrative expenses		447,461	428,788
OPERATING (LOSS) / PROFIT	2	(17,261)	63,602
Investment income and interest receivable	3	1,539	3,134
Interest payable and similar charges	4	(417)	(364)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(16,139)	66,372
Tax on (loss) / profit on ordinary activities	7	(593)	(10,668)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(16,732)</u>	<u>55,704</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

FELLER (UK) LIMITED

**ABBREVIATED BALANCE SHEET
AT 31 DECEMBER 2001**

	Notes	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible assets	8		983,793		961,280
CURRENT ASSETS					
Stocks	9	610,769		628,160	
Debtors	10	398,672		434,425	
Cash at bank and in hand		113,931		124,291	
		1,123,372		1,186,876	
CREDITORS: amounts falling due within one year	11	(420,307)		(461,959)	
NET CURRENT ASSETS			703,065		724,917
TOTAL ASSETS LESS CURRENT LIABILITIES			1,686,858		1,686,197
CREDITORS: amounts falling due after more than one year	12		(14,585)		-
PROVISIONS FOR LIABILITIES AND CHARGES	13		(82,736)		(80,928)
ACCRUALS AND DEFERRED INCOME					
Deferred government grants	14		(43,500)		(42,500)
NET ASSETS			1,546,037		1,562,769

The notes on pages 9 to 17 form part of these financial statements.

FELLER (UK) LIMITED

**ABBREVIATED BALANCE SHEET
AT 31 DECEMBER 2001**

			2001		2000
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	15		240,000		240,000
Profit and loss account	16		1,306,037		1,322,769
TOTAL SHAREHOLDERS' FUNDS	17		<u>1,546,037</u>		<u>1,562,769</u>

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the board of directors on 15 April 2002 and signed on its behalf by:



B. Ascher
Director

FELLER (UK) LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	2001 £	2000 £
Net cash inflow from operating activities	2	167,586	54,845
Returns on investments and servicing of finance	18	1,122	2,770
Taxation	18	(825)	-
Capital expenditure	18	(192,828)	(80,976)
Cash outflow before use of liquid resources and financing		(24,945)	(23,361)
Financing	18	14,585	-
DECREASE IN CASH IN THE YEAR		<u>(10,360)</u>	<u>(23,361)</u>

**RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET FUNDS**

	19		
DECREASE IN CASH IN THE YEAR		(10,360)	(23,361)
Cash inflow from movement in debt and lease financing		(14,585)	-
Change in net funds resulting from cash flows		<u>(24,945)</u>	<u>(23,361)</u>
Movement in funds in the year		(24,945)	(23,361)
Net funds at 1 January 2001		124,291	147,652
Net funds at 31 December 2001		<u>99,346</u>	<u>124,291</u>

The notes on pages 9 to 17 form part of these financial statements.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. **STATEMENT OF ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Leased assets	Over the term of the lease
Plant and machinery	15% straight line
Fixtures and fittings	20% straight line

Government grants

Government grants in respect of capital expenditure are credited to the profit and loss account over the estimated useful life of the relevant fixed assets. The grants shown in the balance sheet represent the total grants receivable to date less the amount so far credited to the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials	- cost of purchase on first in, first out basis
WIP and FG	- cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

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 the profit and loss account for the year.

Operating lease commitments

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

FELLER (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001****1. STATEMENT OF ACCOUNTING POLICIES - (continued)****Pension costs**

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

2. OPERATING (LOSS) / PROFIT**Operating (loss) / profit is stated**

	2001	2000
	£	£
After charging:		
Depreciation of fixed assets	180,316	156,585
Auditors' remuneration	9,345	9,345
Loss on foreign currencies	10,916	16,096
Operating lease rentals		
Land and buildings	19,015	16,529
Plant and machinery	5,747	4,694
	<u> </u>	<u> </u>
After crediting:		
Government grants released	<u>9,000</u>	<u>7,500</u>

**Reconciliation of operating loss to
net cash inflow from operating activities**

	2001	2000
	£	£
Operating (loss) / profit	(17,261)	63,601
Government grants released	(9,000)	(7,500)
Depreciation	180,316	156,585
Decrease / (increase) in stocks	17,391	(156,607)
Decrease / (increase) in debtors	37,340	(102,153)
(Decrease) / increase in creditors	(41,200)	100,919
	<u> </u>	<u> </u>
Net cash inflow from operating activities	<u>167,586</u>	<u>54,845</u>

3. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2001	2000
	£	£
Interest received and receivable		
Bank interest	<u>1,539</u>	<u>3,134</u>

FELLER (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001****4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2001 £	2000 £
On bank loans and overdrafts	417	364

5. INFORMATION ON DIRECTORS AND EMPLOYEES

	2001 £	2000 £
Staff costs		
Wages and salaries	467,225	556,509
Social security costs	29,601	40,046
Other pension costs	-	14,732
	496,826	611,287

	2001 No.	2000 No.
The average number of employees during the year was made up as follows:		
Production	42	45
Office staff	7	10
Directors	2	2
	51	57

6. PENSION COSTS**Money purchase (defined contribution) pension scheme**

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £nil (2000: £14,732).

FELLER (UK) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2001 £	2000 £
The taxation charge comprises:		
Current tax on income for the year	(1,215)	826
Transfer to deferred tax	1,808	9,842
	<u>593</u>	<u>10,668</u>

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost:				
At 1 January 2001	204,353	1,803,144	68,409	2,075,906
Additions	-	202,828	-	202,828
At 31 December 2001	<u>204,353</u>	<u>2,005,972</u>	<u>68,409</u>	<u>2,278,734</u>
Depreciation:				
At 1 January 2001	63,838	988,120	62,667	1,114,625
Charge for year	6,372	171,820	2,124	180,316
At 31 December 2001	<u>70,210</u>	<u>1,159,940</u>	<u>64,791</u>	<u>1,294,941</u>
Net book value:				
At 31 December 2001	<u>134,143</u>	<u>846,032</u>	<u>3,618</u>	<u>983,793</u>
At 31 December 2000	<u>140,515</u>	<u>815,023</u>	<u>5,742</u>	<u>961,280</u>
			2001 £	2000 £
Analysis of net book value of land and buildings:				
Short leasehold			<u>134,143</u>	<u>140,515</u>

FELLER (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001****9. STOCKS**

	2001 £	2000 £
Raw materials and consumables	434,052	469,219
Short term work in progress	56,653	68,759
Finished goods and goods for resale	120,064	90,182
	<u>610,769</u>	<u>628,160</u>

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

10. DEBTORS

	2001 £	2000 £
Trade debtors	367,394	366,131
Amounts owed by group undertakings	13,060	51,574
Other debtors	6,716	3,463
Prepayments and accrued income	11,502	13,257
	<u>398,672</u>	<u>434,425</u>

11. CREDITORS: amounts falling due within one year

	2001 £	2000 £
Trade creditors	103,742	167,808
Amounts owed to group undertakings	248,841	223,001
Corporation tax	-	453
Other taxes and social security costs	33,147	40,418
Other creditors	4,106	2,689
Accruals and deferred income	30,471	27,590
	<u>420,307</u>	<u>461,959</u>

12. CREDITORS: amounts falling due after more than one year

	2001 £	2000 £
Bank loans and overdrafts	<u>14,585</u>	<u>-</u>

FELLER (UK) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

13. PROVISIONS FOR LIABILITIES AND CHARGES

	2001 £	2000 £
Deferred taxation (see below)		
Balance at 1 January 2001	80,928	71,086
Transferred from profit and loss account	1,808	9,842
Balance at 31 December 2001	<u>82,736</u>	<u>80,928</u>

Deferred tax is analysed over the following timing differences:

	2001 £	Fully provided 2000 £
On the excess of capital allowances over depreciation	<u>82,736</u>	<u>80,928</u>

14. GOVERNMENT GRANTS

	2001 £	2000 £
Cost:		
At 1 January 2001	42,500	50,000
Receivable during the year	10,000	-
At 31 December 2001	<u>52,500</u>	<u>50,000</u>
Amortisation:		
Released during the year	<u>9,000</u>	<u>7,500</u>
Net book value:	<u>43,500</u>	<u>42,500</u>

FELLER (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001****15. SHARE CAPITAL**

	2001 £	2000 £
Authorised:		
Equity interests:		
240,000 Ordinary shares of £1 each	<u>240,000</u>	<u>240,000</u>
Allotted, called up and fully paid:		
Equity interests:		
240,000 Ordinary shares of £1 each	<u>240,000</u>	<u>240,000</u>

16. PROFIT AND LOSS ACCOUNT

	2001 £	2000 £
Retained profit as at 1 January 2001	1,322,769	1,267,065
(Loss) / profit for the year	<u>(16,732)</u>	<u>55,704</u>
Retained profit as at 31 December 2001	<u>1,306,037</u>	<u>1,322,769</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
(Loss) / profit for the year	(16,732)	55,704
Opening shareholders' funds	<u>1,562,769</u>	<u>1,507,065</u>
Closing shareholders' funds	<u>1,546,037</u>	<u>1,562,769</u>
Represented by:-		
Equity interests	<u>1,546,037</u>	<u>1,562,769</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	1,539	3,134
Interest paid	(417)	(364)
Net cash inflow from returns on investments and servicing of finance	<u>1,122</u>	<u>2,770</u>
Taxation		
Corporation tax paid	<u>(825)</u>	<u>-</u>
Capital expenditure		
Purchase of tangible fixed assets	(202,828)	(80,976)
Receipt of government grants	10,000	-
Net cash outflow from capital expenditure	<u>(192,828)</u>	<u>(80,976)</u>
Financing		
New long-term loans	15,500	-
Repayments of long-term loans	(915)	-
Net cash inflow from financing	<u>14,585</u>	<u>-</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	2000 £	Cash flow £	2001 £
Cash at bank and in hand	124,291	(10,360)	113,931
Debt due after one year	-	(14,585)	(14,585)
	<u>124,291</u>	<u>(24,945)</u>	<u>99,346</u>

FELLER (UK) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

20. REVENUE COMMITMENTS

At the year end the company was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

	Land and buildings		Other	
	2001	2000	2001	2000
	£	£	£	£
Within one year	-	-	5,490	1,359
More than one year and less than five years	-	-	547	4,694
More than five years	18,047	16,529	-	-
	<u>18,047</u>	<u>16,529</u>	<u>6,037</u>	<u>6,053</u>

21. CAPITAL COMMITMENTS

	2001	2000
	£	£
Details of capital commitments at the accounting date are as follows:		
Contracted but not provided for in the financial statements	-	92,205

22. RELATED PARTY DISCLOSURES

During the year the company entered into the following transactions with group companies at arms length:

	Sales to	Purchases from	Debtors at 31 December 2001	Creditors at 31 December 2001
Feller GmbH	96,620	1,024,851	8,612	248,841
Feller US Corporation	92,405	11,500	3,043	
Feller Neumayer	47,283		1,405	

23. ULTIMATE PARENT COMPANY

The ultimate parent company is Feller Neumayer GmbH, a company incorporated in Austria.