

**Electronic Motion Systems UK Limited**

**Financial Statements  
For the year ended 31 December 2009**

**Registered Number: 3648720**



## **Electronic Motion Systems UK Limited**

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## **Electronic Motion Systems UK Limited**

### **Officers and advisers**

#### **Directors**

Rolf Dahlmanns

Alan Jones

Michael McGrath

(appointed 8 October 2009)

(appointed 8 October 2009)

#### **Company Secretary**

Peter Sandringham

#### **Trading Address**

Heol Y Ddraig

Penltergaer Business Park

Swansea

SA4 9HL

#### **Registered Office**

The Old Courtyard

11 Lower Cookham Road

Maidenhead

Berkshire

SL6 8JN

#### **Auditors**

RSM Tenon Audit Limited

Statutory Auditor

Howard House

Queens Avenue

Bristol

BS8 1QT

#### **Solicitors**

Edwin Coe

2 Stone Buildings

Lincoln's Inn

London

WC2A 3TH

#### **Bankers**

Bank of America NA

26 Elmfield Road

Bromley

Kent

BR1 1WA

## Electronic Motion Systems UK Limited

### Directors' report for the year ended 31 December 2009

The directors present their report and the audited financial statements of the company for the year ended 31 December 2009

#### Principal activities

The principal activity of the company is to develop, manufacture, market and sell proprietary motion control systems containing silicon-controlled semiconductors principally for use in the automotive industry

#### Business Review

ASBU Holdings LLC sold the company to Electronic Motion Systems Holdings Limited (which is owned by key management of the company) effective 26 August 2009. A key aspect of the sale was £14,636,000 of the loan balance with ASBU Holdings LLC of £20,536,000 was forgiven and the remaining amount replaced with a new loan of £5,900,000 provided by Global Equity Capital LLC.

In the year ended 31 December 2009, the company has seen a continuation of the problems caused by the global financial crisis which has affected the automotive industry. In April 2009 the company realigned costs to correspond with the reduced sales demand and this resulted in a reduction in the workforce of 27%.

The working capital requirements of the company are being funded by Centric Commercial Finance through an asset based lending facility collateralised against certain third party amounts receivable.

#### Key performance indicators

The management of the business use a range of performance indicators, both financial and non-financial, to measure the delivery of the company's strategic objective. The most important of these measures are considered key performance indicators (KPIs) and their targets are determined annually during the business planning process. The KPIs are used by management to compare actual performance during the financial period, and the latest monthly forecasts, against the annual budgeted targets. The KPIs, both financial and non-financial, are set out below.

<u>Financial</u>	<u>Non-Financial</u>
Average variable margin by customer (%)	Overall equipment effectiveness (%)
Income from operations (£000)	Overall line rejections (%)
Inventory turns	Overall warranty claims
Days payable outstanding (days)	Workplace accidental occurrences

#### Notes to key performance indicators

Overall equipment effectiveness	- Total yield * equipment performance * equipment availability
Overall line rejections	- Total quantity rejected / total quantity produced
Overall warranty claims	- Total number of returned orders from end customers
Workplace accidental occurrences	- Total number of workplace accidents

The KPI information for 2009 against target is set out below.

<u>Financial</u>	<u>Target</u>	<u>2009</u>	<u>Non-Financial</u>	<u>Target</u>	<u>2009</u>
Variable margin by customer	33%	33%	Overall equipment effectiveness	72.6%	70.5%
Income from operations	17,559	15,198	Overall line rejections	2.0%	2.1%
Inventory turns	5.0	5.8	Overall warranty claims	8	12
Days payable outstanding	50	44	Workplace accidental occurrences	-	29

## **Electronic Motion Systems UK Limited**

### **Directors' report for the year ended 31 December 2009 (continued)**

The financial KPIs were mainly inline or better than target. Income from operations was below target due to the trading environment but there was a marked improvement in the last quarter of the year. The non-financial measures were all close to target despite the targets being stretched during the year. Overall the directors are satisfied with the performance of the business for the year based on the economic environment.

#### **Future strategy**

To become a leading supplier of custom control systems for power conversion and electric motor drive markets

#### **Employees**

The company's employment policies are aimed at informing, training and motivating all of its employees. The company also gives every consideration, whenever practical, to the employment of disabled persons and has made, and will continue to make, every effort to retrain and assist any employee who becomes disabled during his or her employment.

The company has an effective system of internal communication that ensures employees at all of its locations are kept well informed about the company's business. This is achieved principally through the intranet and staff briefings. The health and safety of the company's employees and customers is of primary concern. It is therefore the policy of the company to manage its affairs so as to avoid unnecessary and unacceptable risks to the health and safety of its employees and customers.

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to be competition, the global economic environment, and currency fluctuations.

The company continues to invest significantly in research and development to bring new products to the market which enhance performance and improve energy efficiency in response to the increasing competitive environment. A restructure and reduction in the firm's workforce of 27% has occurred during the year to mitigate against the global economic situation faced and costs are continually monitored to ensure a low cost base is maintained. Currency fluctuations are managed by matching the selling currency with the purchasing currency where possible.

#### **Research and development**

The company is consistently striving to develop new and improved solutions for customers to enhance performance. Research and development is undertaken by Electronic Motion Systems Canada Limited and an element of the cost recharged to the company. Research and development costs recharged in 2009 totalled £748,000 (2008 £1,821,000).

#### **Creditor payment policy**

For all trade creditors it is company policy to i) agree and confirm terms at commencement of business with that supplier ii) pay in accordance with contractual obligations and iii) continually review payment procedures. See key performance indicators for details of trade creditor days at 31 December 2009.

#### **Results & Dividends**

The profit for the year, after taxation was £11,537,000 (2008 loss of £6,034,000).

No dividends were paid during the year and none are proposed (2008 Nil).

## Electronic Motion Systems UK Limited

### Directors' report for the year ended 31 December 2009 (continued)

#### Directors

The directors who held office during the period were

Rolf Dahlmanns	
Lindsay Wynter	resigned 26 August 2009
Michael Hirano	resigned 26 August 2009
Alan Jones	appointed 8 October 2009
Michael McGrath	appointed 8 October 2009

#### Post balance sheet events

On 17 February 2010, in accordance with the contract of sale of the company to Electronic Motion Systems Holdings Limited, the company completed the sale and leaseback of the freehold land and buildings owned at Penllergaer Business Park, Swansea to ASBU (Jersey) Limited. No monies were received in respect of the sale of the property but instead £2,000,000 of the loan balance owed to Global Equity Capital LLC, included within other loans within creditors due within one year, was forgiven.

#### Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Auditors

The audit business of RSM Bentley Jennison, who had previously been appointed as the company's auditors, has merged with that of RSM Tenon Audit Limited who succeeded to the office of auditors to the company. The audit report on the financial statements has therefore been issued by the successor firm, RSM Tenon Audit Limited.

The auditors, RSM Tenon Audit Limited, are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by the Board and signed on its behalf by



Rolf Dahlmanns  
Director

Date 6 May 2010

## **Electronic Motion Systems UK Limited**

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the company 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 judgments 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, and
- 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 2006. 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.

**Independent auditors' report to the members of  
Electronic Motion Systems UK Limited (Registration number 3648720)**

We have audited the financial statements of Electronic Motion Systems UK Limited for the year ended 31 December 2009, set out on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice's Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

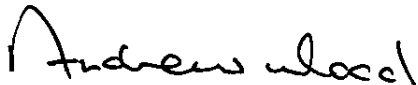
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

**Independent auditors' report to the members of  
Electronic Motion Systems UK Limited (Registration number: 3648720) (continued)**



**Andrew Wood BA ACA  
Senior Statutory Auditor**

For and on behalf of  
RSM Tenon Audit Limited  
Statutory Auditor

Howard House  
Queens Avenue  
Bristol  
BS8 1QT

Date *6 May 2010*

# Electronic Motion Systems UK Limited

## Profit and Loss Account for the year ended 31 December 2009

	Notes	Year ended 31 Dec 09 £000	Year ended 31 Dec 08 £000
<b>Turnover</b>	2	15,198	19,015
<b>Cost of sales</b> <i>including exceptional items of £162,000 (2008 £1,994,000)</i>		(12,784)	(16,988)
<b>Gross profit</b>		2,414	2,027
Distribution costs		-	(57)
Administrative expenses		(5,093)	(7,369)
Other operating income		452	317
<b>Operating loss</b>			
Excluding exceptional items		(2,065)	(3,088)
Exceptional costs	4	(162)	(1,994)
<b>Operating loss</b>	3	(2,227)	(5,082)
Exceptional income	4	14,636	-
Interest receivable and similar income	7	-	2
Interest payable and similar charges	8	(872)	(954)
<b>Profit / (loss) on ordinary activities before taxation</b>		11,537	(6,034)
Tax loss on ordinary activities	9	-	-
<b>Profit / (loss) retained for the financial period</b>	18	11,537	(6,034)

Turnover and operating loss derive wholly from continued operations

The company has no recognised gains or losses for the year other than the results above

**Electronic Motion Systems UK Limited (Registration number. 3648720)**

**Balance Sheet as at 31 December 2009**

	Notes	2009 £000	2008 £000
<b>Fixed Assets</b>			
Tangible assets	10	6,279	7,565
		<u>6,279</u>	<u>7,565</u>
<b>Current Assets</b>			
Stocks	11	2,565	4,450
Debtors	12	4,068	5,401
Cash at bank and in hand		656	96
		<u>7,289</u>	<u>9,947</u>
<b>Creditors</b> amounts falling due within one year	13	(5,743)	(6,160)
		<u>1,546</u>	<u>3,787</u>
<b>Net current assets</b>			
		<u>7,825</u>	<u>11,352</u>
<b>Total assets less current liabilities</b>			
<b>Creditors</b> amounts falling due after more than one year	14	(3,900)	(18,964)
		<u>3,925</u>	<u>(7,612)</u>
<b>Net assets / (liabilities)</b>			
		<u>3,925</u>	<u>(7,612)</u>
<b>Capital and reserves</b>			
Called up share capital	17	2	71,085
Share premium account	18	-	920
Profit and loss account	18	3,923	(79,617)
		<u>3,925</u>	<u>(7,612)</u>
<b>Equity shareholders' funds / (deficit)</b>	18	<u>3,925</u>	<u>(7,612)</u>

Approved by the Board and signed on its behalf by



Rolf Dahlmanns  
Director

Date 6 May 2010

## **Electronic Motion Systems UK Limited**

### **Notes to the financial statements for the year ended 31 December 2009**

#### **1. Accounting policies**

##### **Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies are set out below.

##### **Cash flow statement**

The company is a wholly owned subsidiary of Electronic Motion Systems Holdings Limited and is included in the consolidated financial statements of Electronic Motion Systems Holdings Limited which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

##### **Depreciation**

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal economic lives for this purpose are:

Freehold buildings	- 20 years straight line basis
Plant and machinery	- 5 to 8 years straight line basis

Assets for which construction is in progress and freehold land are not depreciated.

##### **Turnover**

Revenue is recognised within the financial statements when the goods are dispatched and all corresponding services have been provided. Amounts included in the financial statements are net of value added taxes.

##### **Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	- purchase cost on a first in, first out basis
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity

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

## **Electronic Motion Systems UK Limited**

### **Notes to the financial statements for the year ended 31 December 2009 (continued)**

#### **1 Accounting policies (continued)**

##### **Taxation**

The tax charge is based on the result for the year

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates enacted or substantively enacted at the balance sheet date

##### **Foreign currencies**

Foreign currency assets and liabilities are converted to sterling at the rates of exchange at the end of the financial period. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the profit and loss account as they arise

##### **Operating leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

##### **Pension costs**

The company participates in a defined contribution money purchase pension scheme. The charge made to the profit and loss account represents the contributions payable to the pension scheme in respect of the accounting period. The assets of the pension scheme are held separately from those of the company

##### **Government grants**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit and loss account over the expected useful lives of the relevant assets by equal annual installments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate

## Electronic Motion Systems UK Limited

### Notes to the financial statements for the year ended 31 December 2009 (continued)

#### 2. Turnover

Turnover which is stated net of value added tax represents the amounts derived from the provision of goods and services which fall within the company's continuing ordinary activities

Turnover arose entirely from the principal activities of the company. A geographical analysis of turnover by destination is set out below

	Year ended 31 Dec 09 £000	Year ended 31 Dec 08 £000
Europe (including UK)	12,157	12,757
Rest of World	3,041	6,258
	<u>15,198</u>	<u>19,015</u>

#### 3 Operating loss

Operating loss is stated after charging / (crediting)

	Year ended 31 Dec 09 £000	Year ended 31 Dec 08 £000
Foreign exchange loss / (gain)	152	(260)
Depreciation of tangible fixed assets	1,690	2,167
Profit on disposal of fixed assets	-	(7)
Operating lease charges - plant and machinery	55	50
Research and development costs (recharged)	748	1,821

#### Auditors' remuneration

Audit of the company's financial statements	25	25
Audit of the parent company's financial statements	8	-
Tax services	6	6
Other services	<u>2</u>	<u>-</u>
	41	31

The auditors' remuneration of the company's parent, Electronic Motion Systems Holdings Limited, has been borne by the company on its behalf

#### 4. Exceptional items

	Year ended 31 Dec 09 £000	Year ended 31 Dec 08 £000
Intercompany loan balance forgiven	<u>(14,636)</u>	<u>-</u>
Impairment of fixed assets	-	1,473
Redundancy costs	<u>162</u>	<u>521</u>
	<u>162</u>	<u>1,994</u>

# Electronic Motion Systems UK Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 5 Employee information

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows

	Year ended 31 Dec 09 No	Year ended 31 Dec 08 No
Production	65	190
Administration	47	17
	<u>112</u>	<u>207</u>

Staff costs for the above persons

	Year ended 31 Dec 09 £000	Year ended 31 Dec 08 £000
Wages and salaries	2,890	5,138
Social security costs	349	508
Pension costs	106	131
	<u>3,345</u>	<u>5,777</u>

### 6. Directors' emoluments

The directors' emoluments for the period are as follows

	Year ended 31 Dec 09 £000	Year ended 31 Dec 08 £000
Directors' remuneration (including benefits in kind)	<u>65</u>	<u>-</u>
Directors' pension contribution	<u>2</u>	<u>-</u>

Mr R Dahlmanns is a director of Electronic Motion Systems Limited and Electronic Motion Systems Holdings Limited, the parent company. During the year he received emoluments of €190,000 (2008 €190,000) from Electronic Motion Systems GmbH (formerly ASBU Germany GmbH) and £30,542 from Electronic Motion Systems UK Limited (2008 £nil) but it is not practical to allocate his services as a director between the group companies. Benefits in kind totaling £32,647 (2008 £40,426) were provided during the year by Electronic Motion Systems UK Limited to Mr R Dahlmanns.

During the year the number of directors who were accruing benefits under company pension schemes was as follows

	Year ended 31 Dec 09 No	Year ended 31 Dec 08 No
Money purchase	<u>1</u>	<u>-</u>

# Electronic Motion Systems UK Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 7. Interest receivable and similar income

	Year ended 31 Dec 09 £000	Year ended 31 Dec 08 £000
Bank interest	-	2
	<u>-</u>	<u>2</u>

### 8. Interest payable and similar charges

	Year ended 31 Dec 09 £000	Year ended 31 Dec 08 £000
Interest payable on loans and overdrafts	872	-
Interest payable to parent undertaking	-	954
	<u>872</u>	<u>954</u>

During the year interest of £768,000 was paid to ASBU Holdings LLC, the company's parent undertaking until 26 August 2009 when the company was acquired by Electronic Motion Systems Holdings Limited

### 9. Tax

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28%. The differences are explained below

	Year ended 31 Dec 09 £000	Year ended 31 Dec 08 £000
Profit / (loss) on ordinary activities before tax	11,537	(6,034)
Taxation at 28% (2008 28%)	<u>3,230</u>	<u>(1,690)</u>
Effects of		
Expenses not deductible for tax purposes	10	272
Capital allowances in excess of depreciation	(530)	(31)
Non taxable release of connected party debt	(4,098)	-
Other timing differences	-	4
Unrelieved tax losses carried forward	<u>1,388</u>	<u>1,445</u>
	<u>-</u>	<u>-</u>

The company has losses to carry forward against future taxable profits. In addition, the carrying values of qualifying plant and machinery for tax purposes exceeds the net book value of those same assets. As a result, the company has a deferred tax asset of £14,800,000 (2008 £14,420,000), which due to previous losses of the company has not been recognised on the grounds of uncertainty over the recoverability of the deferred tax asset.

**Electronic Motion Systems UK Limited**

**Notes to the financial statements for the year ended 31 December 2009 (continued)**

**10. Tangible fixed assets**

	Freehold land and buildings £000	Plant & machinery £000	Construction in progress £000	Total £000
<b>Cost</b>				
At 1 January 2009	3,557	20,302	-	23,859
Additions	-	-	404	404
<b>At 31 December 2009</b>	<u>3,557</u>	<u>20,302</u>	<u>404</u>	<u>24,263</u>
<b>Depreciation</b>				-
At 1 January 2009	2,103	14,191	-	16,294
Charge for the year	33	1,657	-	1,690
<b>At 31 December 2009</b>	<u>2,136</u>	<u>15,848</u>	<u>-</u>	<u>17,984</u>
<b>Net book amount</b>				
At 31 December 2009	<u>1,421</u>	<u>4,454</u>	<u>404</u>	<u>6,279</u>
At 31 December 2008	<u>1,454</u>	<u>6,111</u>	<u>-</u>	<u>7,565</u>

Included within freehold land and buildings is freehold land of £900,000 which is not depreciated

# Electronic Motion Systems UK Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 11 Stocks and work in progress

	2009 £000	2008 £000
Raw materials	1,902	2,715
Work in progress	235	278
Finished goods	428	1,457
	<u>2,565</u>	<u>4,450</u>

### 12. Debtors

	2009 £000	2008 £000
Trade debtors	3,461	3,396
Amounts owed by parent undertaking	73	-
Prepayments and accrued income	491	1,874
Other taxation and social security	43	131
	<u>4,068</u>	<u>5,401</u>

### 13. Creditors amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	1,849	2,972
Other creditors	534	-
Bank overdraft	-	23
Amounts owed to parent undertaking	-	52
Amounts owed to group undertakings	173	347
Other taxation and social security	79	282
Accruals and deferred income	1,068	2,484
Other loans	2,040	-
	<u>5,743</u>	<u>6,160</u>

During the year part of the loan balance with ASBU Holdings LLC was forgiven and a balance of £5,900,000 refinanced with Global Equity Capital LLC. This balance is included within other loans due within one year (£2,000,000) and due after more than one year (£3,900,000). Interest is payable on the loan at a rate of 8% per annum (2008 loan balance with ASBU Holdings LLC 6% per annum).

### 14 Creditors. amounts falling due after more than one year

	2009 £000	2008 £000
Other loans	3,900	-
Amounts owed to parent undertaking	-	18,964
	<u>3,900</u>	<u>18,964</u>

## Electronic Motion Systems UK Limited

### Notes to the financial statements for the year ended 31 December 2009 (continued)

#### 15 Security on borrowings

The loan of £5,900,000 with Global Equity Capital LLC is secured by a charge on the freehold property and assets of Electronic Motion Systems UK Limited

The funding provided by Centric SPV 1 Limited of £534,000 for the company's working capital, included in other creditors, is secured against certain third party amounts receivable and a charge of £500,000 on the freehold property of the company

#### 16. Maturity of borrowings

Amounts repayable

	Bank loans and overdrafts £000	Other loans £000	Total £000
<b>At 31 December 2009</b>			
In one year or less on demand	-	2,040	2,040
Between one and two years	-	1,000	1,000
Between two and five years	-	2,900	2,900
	<u>-</u>	<u>5,940</u>	<u>5,940</u>
<b>At 31 December 2008</b>			
In one year or less on demand	<u>23</u>	<u>-</u>	<u>23</u>

#### 17. Called up share capital

	2009 £000	2008 £000
<b>Authorised equity</b>		
73,500 ordinary shares of £1 each	<u>73,500</u>	<u>73,500</u>
	<u>73,500</u>	<u>73,500</u>
<b>Allocated, called up and fully paid equity</b>		
2,000 ordinary shares of £1 each	2	71,085
(2008 71,084,844 ordinary shares of £1 each)	<u>2</u>	<u>71,085</u>

On 11 November 2009 the directors passed a resolution to reduce the issued share capital of the company of £71,084,844 ordinary shares of £1 each to £2,000 ordinary shares of £1 each

## Electronic Motion Systems UK Limited

### Notes to the financial statements for the year ended 31 December 2009 (continued)

#### 18 Reserves

	Share premium Account £000	Profit and loss account £000
Balance at 31 December 2008	920	(79,617)
Transfer from profit and loss account for the year	-	11,537
Capital reduction (see note 18)	(920)	72,003
Balance at 31 December 2009	<u>-</u>	<u>3,923</u>

#### 19. Reconciliation of shareholders funds and movements on reserves

	2009 £000	2008 £000
Profit / (loss) attributable to members of the company	<u>11,537</u>	<u>(6,034)</u>
	11,537	(6,034)
Opening equity shareholders' deficit	<u>(7,612)</u>	<u>(1,578)</u>
Closing equity shareholders' deficit	<u>3,925</u>	<u>(7,612)</u>

#### 20 Pension schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £106,000 (2008 - £131,000).

There was an outstanding payment of £10,000 (2008: £nil) at the end of the financial year.

## Electronic Motion Systems UK Limited

### Notes to the financial statements for the year ended 31 December 2009 (continued)

#### 21. Operating lease commitments

As at 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	2009 £000	Other 2008 £000
Within one year	41	2
Within one and two years	-	53
Within two and five years	-	-
Over five years	-	-
	<u>41</u>	<u>55</u>

On 17 February 2010 the company entered into a sale and leaseback arrangement for the freehold land and buildings owned at 31 December 2009. The lease commitment is for a period 10 years with £360,000 payable per annum after a year rent free period (see note 23)

#### 22 Related parties

##### Controlling entity

On 26 August 2009 the entire share capital of the company was purchased by Electronic Motion Systems Holdings Limited from ASBU Holdings LLC

The directors regard Electronic Motion Systems Holdings Limited, a company registered in England and Wales, as the immediate and ultimate parent company. Electronic Motion Systems Holdings Limited is controlled by Rolf Dahlmanns by virtue of his shareholding.

##### Related party transactions

The company is taking advantage of the exemptions in Financial Reporting Standard 8, paragraph 3c not to disclose transactions with related parties within the group where over 100% of the voting rights are controlled by the group and where the consolidated accounts are publicly available.

#### 23. Post balance sheet events

On 17 February 2010, in accordance with the contract of sale of the company to Electronic Motion Systems Holdings Limited, the company completed the sale and leaseback of the freehold land and buildings owned at Penllergaer Business Park, Swansea to ASBU (Jersey) Limited. No monies were received in respect of the sale of the property but instead £2,000,000 of the loan balance owed to Global Equity Capital LLC, included within other loans within creditors due within one year, was forgiven.