

**AMTEK INVESTMENTS (UK) LIMITED**

Report and Accounts

31 December 2005



# **Amtek Investments (UK) Limited**

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Registered no 4739524

## **DIRECTORS**

A Dham  
J E Flintham  
D J Benton  
P A Smith

## **SECRETARY**

P L Bishop

## **AUDITORS**

Baker Tilly UK Audit LLP  
Exchange House  
446 Midsummer Boulevard  
Central Milton Keynes  
MK9 2EA

## **BANKERS**

Barclays Bank PLC  
P O Box 299  
Birmingham  
B1 3PF

## **REGISTERED OFFICE**

Chelmarsh  
Daimler Green  
Coventry  
West Midlands  
CV6 3LT

# Amtek Investments (UK) Limited

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## DIRECTORS' REPORT

The directors present their report and the group accounts for the year ended 31 December 2005

### RESULTS AND DIVIDENDS

The group profit for the year, after taxation and minority interests, amounted to £604,000 (2004 £2,867,000) The directors do not recommend the payment of a dividend

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the group are machining, general engineering and related services, principally to the automotive industry

The group traded satisfactorily for the period under review

### DIRECTORS AND THEIR INTERESTS

The directors at 31 December 2005 were as follows

A Dham

J E Flintham

R B Welch (appointed 30 June 2005, resigned 3 April 2006)

The directors held no interests in the share capital of the company

In addition, A N R Davidson served as a director until his resignation on 30 June 2005

D J Benton and P A Smith were appointed as directors on 30 April 2007

### EMPLOYEES

The group has a policy of providing information about the group by regular meetings between management and the elected employee representatives Employees are encouraged to present their suggestions and views on the group's performance through their elected representatives

The group's policy and practice is to encourage and assist the employment of disabled people, their recruitment, training, career development and promotion and the retention of employees who become disabled The operation of this policy is reviewed regularly

### AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditors with effect from 1 April 2007 in accordance with the provisions of section 26(5) of the Companies Act 1989 A resolution to reappoint Baker Tilly UK Audit LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the board



Director

4/5/07

## Amtek Investments (UK) Limited

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### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those accounts, 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors confirm that the accounts comply with the above requirements

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

**INDEPENDENT AUDITORS' REPORT**  
**to the members of Amtek Investments (UK) Limited**

We have audited the accounts on pages 5 to 28

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit 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 opinion we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts 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 Directors' Report is not consistent with the accounts, 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 group is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited accounts. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs at 31 December 2005 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Baker Tilly UK Audit LLP**

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

Exchange House

446 Midsummer Boulevard

Central Milton Keynes

Bucks MK9 2EA

**8 May 2007**

# Amttek Investments (UK) Limited

## GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December 2005

			<i>As restated</i>
		2005	2004
	Notes	£000	£000
<b>TURNOVER</b>	2	103,567	104,834
Cost of sales		93,524	91,375
<b>GROSS PROFIT</b>		<u>10,043</u>	<u>13,459</u>
Distribution expenses		1,765	1,748
Administrative expenses		5,464	5,593
		<u>7,229</u>	<u>7,341</u>
<b>OPERATING PROFIT</b>	3	<u>2,814</u>	<u>6,118</u>
Interest receivable	6	241	246
Interest payable and similar charges	7	(1,465)	(1,041)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>1,590</u>	<u>5,323</u>
Tax on profit on ordinary activities	8	766	1,791
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>824</u>	<u>3,532</u>
Minority interests - equity		(220)	(665)
<b>PROFIT RETAINED FOR THE FINANCIAL YEAR</b>	18	<u>604</u>	<u>2,867</u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2005

		<i>As restated</i>
	2005	2004
	£000	£000
Profit for the financial year attributable to members of the parent company	604	2,867
Actuarial loss on pension schemes	(271)	(471)
Minority interest in actuarial loss	31	71
	<u>364</u>	<u>2,467</u>
Prior year adjustment on implementation of FRS 17 (note 1)	(204)	
<b>Total gains and losses recognised since last annual report</b>	<u>160</u>	

# Amtek Investments (UK) Limited

## GROUP BALANCE SHEET

at 31 December 2005

			<i>As restated</i>
		2005	2004
	Notes	£000	£000
<b>FIXED ASSETS</b>			
Intangible assets	10	11,397	12,036
Tangible assets	11	11,408	10,390
		<u>22,805</u>	<u>22,426</u>
<b>CURRENT ASSETS</b>			
Stocks	12	3,552	3,739
Debtors	13	20,315	12,224
Cash at bank and in hand		2,270	–
		<u>26,137</u>	<u>15,963</u>
<b>CREDITORS, amounts falling due within one year</b>	14	34,502	25,541
		<u>(8,365)</u>	<u>(9,578)</u>
<b>NET CURRENT LIABILITIES</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>14,440</u>	<u>12,848</u>
<b>CREDITORS: amounts falling due after more than one year</b>			
Loans	15	5,659	4,250
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	8	9	–
		<u>8,772</u>	<u>8,598</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			
Pension liability	21	–	379
		<u>8,772</u>	<u>8,219</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			
<b>MINORITY INTERESTS – EQUITY</b>		<u>889</u>	<u>700</u>
		<u>7,883</u>	<u>7,519</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	5,000	5,000
Profit and loss account	18	2,883	2,519
		<u>7,883</u>	<u>7,519</u>
Shareholders' funds		<u>7,883</u>	<u>7,519</u>



Director

4/5/07

# Amtek Investments (UK) Limited

## COMPANY BALANCE SHEET at 31 December 2005

	<i>Notes</i>	<i>2005</i> <i>£000</i>	<i>2004</i> <i>£000</i>
<b>FIXED ASSETS</b>			
Investments	11	14,557	14,557
<b>CURRENT ASSETS</b>			
Debtors	13	300	241
<b>CREDITORS: amounts falling due within one year</b>	14	4	8
<b>NET CURRENT ASSETS</b>		296	233
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		14,853	14,790
<b>CREDITORS: amounts falling due after more than one year</b>	15	10,580	10,085
		4,273	4,705
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	5,000	5,000
Profit and loss account	18	(727)	(295)
<b>Shareholders' funds</b>		4,273	4,705



Director

4/5/07



# Amttek Investments (UK) Limited

## GROUP STATEMENT OF CASH FLOWS for the year ended 31 December 2005

	<i>Notes</i>	<i>2005</i> <i>£000</i>	<i>2004</i> <i>£000</i>
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	19(a)	(3,462)	5,009
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	19(b)	(1,493)	(871)
TAXATION	19(b)	(555)	(571)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	19(b)	(4,371)	(3,671)
ACQUISITIONS AND DISPOSALS	19(b)	–	(810)
FINANCING	19(b)	11,481	(2,650)
INCREASE/(DECREASE) IN CASH		<u>1,600</u>	<u>(3,564)</u>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	<i>Notes</i>	<i>2005</i> <i>£000</i>	<i>2004</i> <i>£000</i>
Increase/(decrease) in cash		1,600	(3,564)
Cash inflow from increase in loans		(9,285)	–
Repayment of long term loans		7,230	2,650
Invoice discounting facility		(9,426)	–
Change in net debt resulting from cash flows	19(c)	<u>(9,881)</u>	<u>(914)</u>
Amortisation of loan issue costs		(72)	(65)
Movement in net debt		<u>(9,953)</u>	<u>(979)</u>
Net debt at 1 January		(11,550)	(10,571)
Net debt at 31 December	19(c)	<u>(21,503)</u>	<u>(11,550)</u>

# Amttek Investments (UK) Limited

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## NOTES TO THE ACCOUNTS

at 31 December 2005

### 1. ACCOUNTING POLICIES

#### *Basis of preparation*

The accounts are prepared in accordance with applicable accounting standards and under the historical cost convention

In preparing the accounts for the current year, the group has implemented FRS 17 'Retirement Benefits' which has resulted in a change in accounting policy in respect of defined benefit pension schemes. Surpluses and deficits in such schemes are now recognised in full in the balance sheet, rather than being amortised over the employees' working lives within the group.

This change in accounting policy has resulted in a prior year adjustment for the group. Shareholders' funds at 1 January 2005 have been reduced by £204,000, the profit for the year ended 31 December 2004, after taxation and minority interests, has increased by £195,000 and an actuarial loss (after minority interests) of £400,000 has been recognised in the statement of total recognised gains and losses of that year. Profits after tax and minority interests have increased in the current year by £257,000 and an actuarial loss (after minority interests) of £240,000 has been recognised in the current year's statement of total recognised gains and losses.

#### *Basis of consolidation*

The group accounts consolidate the accounts of Amttek Investments (UK) Limited and its subsidiary undertakings drawn up to 31 December each year. No profit and loss account is presented for Amttek Investments (UK) Limited as permitted by Section 230 of the Companies Act 1985.

#### *Goodwill*

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. Goodwill is capitalised and amortised over its economic life up to a presumed maximum of 20 years.

#### *Fixed assets*

Fixed assets of businesses acquired are recorded at fair value on acquisition as determined by the directors. Other fixed asset additions are recorded at cost.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Plant, vehicles and equipment	-	3 to 10 years
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The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE ACCOUNTS

at 31 December 2005

1. ACCOUNTING POLICIES (continued)

**Stocks**

Stocks are stated 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

**Deferred taxation**

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 at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax have occurred

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the 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 and laws enacted or substantively enacted at the balance sheet date

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

**Operating Leases**

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

**Pensions**

The group operates two defined benefit pension schemes. Both of the schemes are closed to new members and to future accrual

The service cost of providing retirement benefits to employees is charged to the operating profit in the year, along with the cost of providing amendments to benefits in respect of past service. The expected return on the assets of the scheme during the year, based on the market value of the scheme assets at the start of the year, less the interest on scheme liabilities is included within other financial income/(charges). Differences between the actual and expected return on assets during the year, experience gains and losses on scheme liabilities and differences from changes in assumptions are recognised in the statement of total recognised gains and losses

# Amtek Investments (UK) Limited

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## NOTES TO THE ACCOUNTS

at 31 December 2005

### 1. ACCOUNTING POLICIES (continued)

#### *Pensions (continued)*

The defined benefit schemes are funded, with the assets held separately from the group in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension schemes' assets are measured at fair value. The pension schemes' liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the group has a legal or constructive obligation to settle the liability.

Following the closure of the schemes to future accrual the group established a defined contribution scheme. Contributions to this scheme are charged in the profit and loss account as paid.

The group also makes contributions to individual money purchase pension plans on behalf of certain employees. Contributions are charged in the profit and loss account as paid.

### 2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

Turnover is attributable to one continuing activity, that of machining, general engineering and related activities, principally to the automotive industry.

An analysis of turnover by geographical market is given below.

	2005 £000	2004 £000
United Kingdom	96,656	97,292
Continental Europe - Germany	2,129	1,765
- Other	1,863	3,006
Rest of the World	2,919	2,771
	<hr/> 103,567 <hr/>	<hr/> 104,834 <hr/>

# Amtek Investments (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 3. OPERATING PROFIT

This is stated after charging/(crediting)

	2005	2004
	£000	£000
Depreciation - owned assets	2,881	2,725
Amortisation of goodwill	639	607
Auditors' remuneration - audit fees	36	37
- non-audit fees	12	13
Operating lease rentals - plant and machinery	335	361
- land and buildings	1,380	1,380
Rental income	(76)	(78)
Exceptional items - bad debt	804	-
- redundancy costs	979	319
	<u>          </u>	<u>          </u>

The exceptional bad debt was in respect of amounts due to the group from MG Rover Group

### 4. DIRECTORS' EMOLUMENTS

	2005	2004
	£000	£000
Emoluments	94	136
	<u>          </u>	<u>          </u>
Company contributions paid to money purchase pension schemes	31	31
	<u>          </u>	<u>          </u>
	2005	2004
	No	No
Members of money purchase pension schemes	1	1
	<u>          </u>	<u>          </u>

### 5 STAFF COSTS

	2005	<i>As restated</i> 2004
	£000	£000
Wages and salaries	12,476	14,208
Social security costs	1,420	1,608
Other pension costs	525	558
	<u>          </u>	<u>          </u>
	14,421	16,374
	<u>          </u>	<u>          </u>

# Amttek Investments (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 5 STAFF COSTS (continued)

The monthly average number of employees during the year was as follows

	2005	2004
	No	No
Office and management	82	105
Manufacturing	407	458
	<u>489</u>	<u>563</u>

### 6. INTEREST RECEIVABLE

	2005	<i>As restated</i> 2004
	£000	£000
Financial element of pensions income	225	246
Other interest receivable	16	—
	<u>241</u>	<u>246</u>

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£000	£000
Bank loans and overdrafts	947	705
Other loans	446	271
Amortisation of loan issue costs	72	65
	<u>1,465</u>	<u>1,041</u>

# Amttek Investments (UK) Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 8. TAX

#### a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2005	<i>As restated</i> 2004
	£000	£000
UK corporation tax	-	918
Adjustment in respect of prior years	-	40
Total current tax (note 8(b))	-	958
Deferred taxation		
Charge for the year	766	833
Tax on profit on ordinary activities	766	1,791

#### b) Factors affecting current tax charge for the year

	2005	<i>As restated</i> 2004
	£000	£000
Profit on ordinary activities before taxation	1,590	5,323
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 30%)	477	1,597
Expenses not deductible for tax purposes/income not taxable	184	206
Capital allowances in advance of depreciation	(295)	(322)
Short term timing differences	(499)	(560)
Adjustments relating to prior years	-	40
Tax losses carried forward	133	-
Other	-	(3)
Total current tax (note 8(a))	-	958

# Amttek Investments (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 8. TAX (CONTINUED)

#### c) Factors that may affect future tax charges

The group has retained the right to claim Industrial Building Allowances in respect of a property for which a leasehold interest was disposed of in a previous year. Such allowances, which may be used to offset against future taxable profits, amounted to £2,143,000 at 31 December 2005. At a tax rate of 30%, this equates to a tax value of £643,000 and is in addition to balances reflected in deferred tax at the year end.

#### d) Deferred tax

Deferred tax (liabilities)/assets provided in the accounts are as follows

	<i>As restated</i>	
	<i>2005</i>	<i>2004</i>
	<i>£000</i>	<i>£000</i>
Depreciation in advance of capital allowances	(85)	173
Short term timing differences	76	468
Total (liability)/asset	(9)	641
Deferred tax asset netted against pension liability	–	(162)
Deferred tax (liability)/asset included in provisions/debtors	(9)	479

The movements in deferred tax during the current years are as follows

At 1 January 2004 (as restated)	1,272
Charge to profit and loss account (as restated)	(833)
Credit to statement of total recognised gains and losses	202
At 31 December 2004	641
Charge to profit and loss account	(766)
Credit to statement of total recognised gains and losses	116
Deferred tax liability at 31 December 2005	(9)



# Amttek Investments (UK) Limited

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## NOTES TO THE ACCOUNTS

at 31 December 2005

### 9 LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the accounts of the parent company was £432,000 (2004 295,000)

### 10. INTANGIBLE FIXED ASSETS

*Group*

	<i>Goodwill £000</i>
Cost	
At 1 January 2005 as previously reported	12,735
Prior year adjustment	9
	<hr/>
At 1 January 2005 as restated and at 31 December 2005	12,744
	<hr/>
Amortisation	
At 1 January 2005	708
Provided during the year	639
	<hr/>
At 31 December 2005	1,347
	<hr/>
Net book value	
At 31 December 2005	11,397
	<hr/>
	<hr/>
At 1 January 2005 (as restated)	12,036
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Goodwill is being written off in equal annual instalments over its estimated economic life of 20 years

# Amtek Investments (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 10. TANGIBLE FIXED ASSETS

*Group*

	<i>Plant not commissioned £000</i>	<i>Plant, vehicles and equipment £000</i>	<i>Total £000</i>
Cost or fair value			
At 1 January 2005	2,571	11,317	13,888
Additions	3,899	–	3,899
Transfers	(5,171)	5,171	–
At 31 December 2005	1,299	16,488	17,787
Depreciation			
At 1 January 2005	–	3,498	3,498
Charge for the year	–	2,881	2,881
At 31 December 2005	–	6,379	6,379
Net book value			
At 31 December 2005	1,299	10,109	11,408
At 1 January 2005	2,571	7,819	10,390

### 11. INVESTMENTS

*Group*

The group holds a £1 investment in KTH Limited, representing 50% of its issued share capital. KTH Limited, a company registered in England and Wales, is engaged in automotive component manufacturing. The results of KTH Limited have not been consolidated on the grounds that Amtek Investments (UK) Limited does not exert significant influence over that company.

The consolidated profit and consolidated capital and reserves of KTH Limited for the year ended 31 August 2004, the latest period for which accounts are available, are as follows:

	<i>2004 £000</i>	<i>2003 £000</i>
Profit/(loss) for the year	1,335	(6,492)
Capital and reserves	(52,828)	(54,163)

# Amtek Investments (UK) Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 11. INVESTMENTS (continued)

<i>Company</i>	<i>Subsidiary undertakings £000</i>
Cost	
At 1 January 2005 and 31 December 2005	14,557

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows

<i>Name of company</i>	<i>Country of registration</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
GWK Amtek Limited	England and Wales	Ordinary shares	88.4%	Holding company
Geo W King Limited	England and Wales	Ordinary shares	*100%	Manufacturing
King Automotive Systems Limited	England and Wales	Ordinary shares	*100%	Manufacturing
GWK Group Employee Trust Company Limited	England and Wales	Ordinary shares	*100%	Dormant
KTH Limited	England and Wales	Ordinary shares	*50%	Manufacturing

\* % of shares held by GWK Amtek Limited

### 12. STOCKS

<i>Group</i>	<i>2005 £000</i>	<i>2004 £000</i>
Raw materials and consumables	2,627	2,830
Work in progress	277	273
Finished goods and goods for resale	648	636
	<u>3,552</u>	<u>3,739</u>

# Amtek Investments (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 13. DEBTORS

	<i>As restated</i>			
	<i>Group</i>		<i>Company</i>	
	2005	2004	2005	2004
	£000	£000	£000	£000
Trade debtors	16,729	10,954	–	–
Amounts owed by group undertakings	794	–	–	–
Other debtors	2,792	791	300	241
Deferred taxation	–	479	–	–
	<u>20,315</u>	<u>12,224</u>	<u>300</u>	<u>241</u>

### 14. CREDITORS\* amounts falling due within one year

	<i>As restated</i>			
	<i>Group</i>		<i>Company</i>	
	2005	2004	2005	2004
	£000	£000	£000	£000
Current instalments due on loans (note 16)	3,326	2,608	–	–
Bank overdraft	5,362	4,692	–	–
Invoice discounting facility	9,426	–	–	–
Trade creditors	14,969	16,098	–	–
Corporation tax	–	555	–	–
Other taxes and social security costs	880	888	–	–
Other creditors and accruals	539	700	4	8
	<u>34,502</u>	<u>25,541</u>	<u>4</u>	<u>8</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the group

The invoice discounting facility is secured over the trade debtors of the group

# Amttek Investments (UK) Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 15. CREDITORS: amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Loans (note 16)	5,659	4,250	–	–
Amounts owed to subsidiary undertakings	–	–	10,580	10,085
	<u>5,659</u>	<u>4,250</u>	<u>10,580</u>	<u>10,085</u>

### 16. LOANS

#### *Group*

	<i>2005</i>	<i>2004</i>
	<i>£000</i>	<i>£000</i>
Wholly repayable within five years		
Bank loans	8,200	2,900
Other loan	785	3,958
	<u>8,985</u>	<u>6,858</u>
Less included in creditors - amounts falling due within one year	3,326	2,608
	<u>5,659</u>	<u>4,250</u>
Amounts repayable		
In one year or less	3,326	2,650
Between one and two years	1,831	2,280
Between two and five years	3,828	2,000
	<u>8,985</u>	<u>6,930</u>
Less Unamortised issue costs	–	(72)
	<u>8,985</u>	<u>6,858</u>

The loans are secured by fixed and floating charges over the assets of the group.

### 17. SHARE CAPITAL

*Authorised, allotted, called up and fully paid*

	<i>2005 &amp; 2004 No</i>	<i>2005 &amp; 2004 £000</i>
Ordinary shares of £1 each	5,000,000	5,000

# Amtek Investments (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 18 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

#### Group

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders' funds £000</i>
At 1 January 2004	5,000	51	5,051
Profit for the year	–	2,867	2,867
Actuarial loss on pension scheme	–	(399)	(399)
At 1 January 2005	5,000	2,519	7,519
Profit for the year	–	604	604
Actuarial loss on pension scheme	–	(240)	(240)
At 31 December 2005	5,000	2,883	7,883

#### Company

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders' funds £000</i>
At 1 January 2004	5,000	–	5,000
Loss for the year	–	(295)	(295)
At 1 January 2005	5,000	(295)	4,705
Loss for the year	–	(432)	(432)
At 31 December 2005	5,000	(727)	4,273

# Amtel Investments (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 19 NOTES TO THE STATEMENT OF CASH FLOWS

#### a) Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	<i>As restated</i>	
	2005	2004
	£000	£000
Operating profit	2,814	6,118
Depreciation	2,881	2,725
Profit on disposal of fixed assets	-	(25)
Amortisation of goodwill	639	607
Decrease in stocks	187	589
(Increase)/decrease in debtors	(8,086)	1,939
Decrease in creditors	(1,194)	(6,244)
Pension asset/(liability) adjustment	(703)	(700)
Net cash (outflow)/inflow from operating activities	(3,462)	5,009

#### b) Analysis of cash flows for headings netted in the statement of cash flows

	2005	2004
	£000	£000
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest paid	(1,493)	(871)
<b>TAXATION</b>		
Corporation tax paid	(555)	(571)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Payments to acquire tangible fixed assets	(3,899)	(3,696)
Receipts from sales of tangible fixed assets	-	25
Loan to related party	(472)	-
	(4,371)	(3,671)

# Amtex Investments (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 19. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

	2005 £000	2004 £000
<b>ACQUISITIONS AND DISPOSALS</b>		
Purchase of share capital in subsidiary undertaking	-	(810)
	<u>          </u>	<u>          </u>
	2005 £000	2004 £000
<b>FINANCING</b>		
New long term loans	9,285	-
Repayment of long term loans	(7,230)	(2,650)
Invoice discounting facility	9,426	-
	<u>11,481</u>	<u>(2,650)</u>

#### c) Analysis of changes in net debt

	<i>At</i> <i>1 January</i> 2005 £000	<i>Cash flow</i> £000	<i>Other</i> <i>movements</i> £000	<i>At</i> <i>31 December</i> 2005 £000
Cash at bank and in hand	-	2,270	-	2,270
Overdraft	(4,692)	(670)	-	(5,362)
Invoice discounting facility	-	(9,426)	-	(9,426)
Loans (net of issue costs)	(6,858)	(2,055)	(72)	(8,985)
	<u>(11,550)</u>	<u>(9,881)</u>	<u>(72)</u>	<u>(21,503)</u>

### 20. CAPITAL COMMITMENTS

	2005 £000	2004 £000
Contracted	3,914	1,378
	<u>          </u>	<u>          </u>



NOTES TO THE ACCOUNTS

at 31 December 2005

**21 PENSION COMMITMENTS**

As explained in the accounting policies set out in note 1, the group operates two defined benefit schemes

Employees who transferred to King Automotive Systems Limited from Jaguar on 31 January 1994 are members of the King Automotive Systems Pension Plan ('KAS scheme') This is a closed scheme which was closed to future accrual during 2003 The results of the most recent actuarial valuation, conducted on 6 April 2002 using the attained age method, are as follows

Main assumptions	
Rate of return on investment (% per annum)	5.5
Rate of salary increases (% per annum)	3.0
Market value of scheme's assets (£000)	5,242
Level of funding, being the actuarial value of assets expressed as a percentage of the benefits accrued to members	87%
MFR Funding Level	115%

The second scheme, the GWK Group Pension Scheme ('GWK scheme'), was established during the period to 31 December 1997 Employees previously belonging to schemes operated by Camford Engineering PLC transferred into this new scheme This is also a closed scheme which was closed to future accrual during 2003 The results of the most recent actuarial valuation, which was conducted on 1 September 2004 using the attained age method, are as follows

Main assumptions	
Rate of return on investment (% per annum)	5.5
Rate of Retail Price Index increases (% per annum)	3.0
Market value of scheme's assets (£000)	9,794
Level of funding, being the actuarial value of assets expressed as a percentage of the benefits accrued to members	91%
MFR Funding Level	132%

These valuations were updated by S G Ingram Actuary Limited to 31 December 2005 to take account of the requirements of FRS 17 The principal assumptions used by the actuary for both schemes were

	2005	2004	2003
	%	%	%
Increase in pensions	2.75	2.75	2.7
Discount rate	4.75	5.25	5.4
Inflation assumption	2.75	2.75	2.7

# Amtex Investments (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 21 PENSION COMMITMENTS (continued)

#### *GWK Group Pension Scheme*

The majority of the assets of the scheme consist of units in a managed fund. Based on the underlying fund investments, the assets and liabilities of the scheme and the expected rates of return at 31 December 2005 are

	2005	2005	2004	2004	2003	2003
	<i>Long term</i>		<i>Long term</i>		<i>Long term</i>	
	<i>rate of return</i>		<i>rate of return</i>		<i>rate of return</i>	
	<i>expected</i>	<i>Value</i>	<i>expected</i>	<i>Value</i>	<i>expected</i>	<i>Value</i>
	%	£000	%	£000	%	£000
Equities	7.5	11,367	7.5	9,000	7.5	8,014
Bonds	4.75	1,200	5.5	1,074	5.5	1,160
Property	—	—	—	—	6.0	271
Cash	4.25	806	4.0	873	4.0	450
Total market value of assets		13,373		10,947		9,895
Present value of scheme liabilities		(12,322)		(11,030)		(9,974)
Asset/(deficit) in the scheme		1,051		(83)		(79)
Related deferred tax (liability)/asset		(315)		25		24
Net pension asset/(liability)		736		(58)		(55)

#### *King Automotive Systems Pension Plan*

The majority of the assets of the plan consist of units in a managed fund. Based on the underlying fund investments, the assets and liabilities of the scheme and the expected rates of return at 31 December 2005 are

	2005	2005	2004	2004	2003	2003
	<i>Long term</i>		<i>Long term</i>		<i>Long term</i>	
	<i>rate of return</i>		<i>rate of return</i>		<i>rate of return</i>	
	<i>expected</i>	<i>Value</i>	<i>expected</i>	<i>Value</i>	<i>expected</i>	<i>Value</i>
	%	£000	%	£000	%	£000
Equities	7.5	7,160	7.5	5,821	7.5	5,098
Bonds	4.75	1,538	5.5	695	5.5	738
Property	—	—	—	—	6.0	172
Cash	4.25	466	4.0	903	4.0	369
Total market value of assets		9,164		7,419		6,377
Present value of scheme liabilities		(8,578)		(7,877)		(7,112)
Asset/(deficit) in the scheme		586		(458)		(735)
Related deferred tax (liability)/asset		(176)		137		221
Net pension asset/(liability)		410		(321)		(514)

# Amttek Investments (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 21. PENSION COMMITMENTS (continued)

#### Analysis of amounts charged to operating profit

	2005	2004
	£000	£000
Service cost	47	50
Past service cost	—	—
Total operating charge	47	50

#### Analysis of amounts credited to other finance income

	2005	2004
	£000	£000
Expected return on pension schemes assets	1,293	1,155
Interest on pension liabilities	(978)	(909)
	315	246
Restriction on non-recognition of pension scheme asset	(90)	—
Net return	225	246

#### Analysis of amounts recognised in Statement of Total Recognised Gains and Losses

	2005	2004
	£000	£000
Actual return less expected return on assets	2,752	729
Experience gain on liabilities	71	52
Changes in assumptions	(1,663)	(1,454)
Actuarial gain/(loss)	1,160	(673)
Actuarial loss on non-recognition of pension scheme assets	(1,547)	—
Total actuarial loss	(387)	(673)
Deferred tax	116	202
Actuarial loss recognised in Statement of Total Recognised Gains and Losses	(271)	(471)

# Amtek Investments (UK) Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 21. PENSION COMMITMENTS (continued)

#### Movement in the deficit during the year

	2005	2004
	£000	£000
Deficit in schemes at the beginning of year	(541)	(814)
Movement in year		
Current service cost	(47)	(50)
Contributions	750	750
Net return on assets	225	246
Actuarial loss	(387)	(673)
Deficit in schemes at the end of year	—	(541)

The surplus in the pension schemes at 31 December 2005, net of deferred tax, of £1,146,000 has not been recognised in the accounts as it is unlikely to be recovered by the group through reduced contributions or a refund from the pension schemes

The group is currently in discussions with the trustees of the pension schemes regarding the level and timing of future contributions to the schemes

#### History of experience gains and losses

	2005	2004	2003	2002
Difference between expected return and actual return on pension schemes assets				
-Amount (£000)	2,752	729	1,419	(2,908)
-% of schemes assets	12	4	9	(25)
Experience gain/(loss) arising on schemes liabilities				
-Amount (£000)	71	52	532	(1,389)
-% of schemes liabilities	0	0	3	(9)
Total actuarial gain/(loss) recognised in the statement of total recognised gains and losses				
-Amount (£000)	1,160	(673)	1,154	(4,850)
-% of schemes liabilities	6	(4)	7	(30)

The group also operates a defined contribution scheme and makes contributions to individual money purchase pension plans on behalf of certain employees. The pension cost in respect of these schemes amounted to £478,000 (2004 £508,000). Outstanding contributions to these schemes at the year end, included in 'other creditors and accruals' (note 14), amounted to £43,000 (2004 £42,000).

# Amtek Investments (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 22. OTHER FINANCIAL COMMITMENTS

At 31 December 2005 the group had annual commitments under non-cancellable operating leases as set out below

	<i>Land and buildings</i>		<i>Plant and machinery</i>	
	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating leases which expire				
Within one year	–	–	52	5
Within two to five years	–	–	120	244
In over five years	1,380	1,380	–	–
	<u>1,380</u>	<u>1,380</u>	<u>172</u>	<u>249</u>

### 23. CONTINGENT LIABILITIES

The group is party to a cross-guarantee of certain borrowings of companies related to its ultimate parent undertaking, Amtek Auto Limited. At 31 December 2005 such borrowings, including those of the group, amounted to £28,245,000. Amtek Auto Limited has undertaken to provide financial support if required to enable the group to meet any liabilities arising.

### 24. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 and not disclosed transactions between GWK Amtek Limited and its wholly owned subsidiaries.

During the year, the company was charged interest of £617,000 (2004: £522,000) from GWK Amtek Limited and received £126,000 (2004: £nil) for group relief. Balances outstanding at the year end, payable by the company, amounted to £10,580,000 (2004: £10,085,000) (note 15).

During the year, the group entered into sales and funding transactions with the following companies which are connected through common ownership.

	<i>Sales</i>	<i>Funding transactions</i>	<i>Year-end debtor balance</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Amtek Auto Limited	794	–	794
Amtek Siccadi India Limited	750	–	750
Lloyds (Brierley Hill) Limited	300	–	747
Amtek Industries Limited	258	488	746
Amtek Aluminium Castings UK Limited	250	–	250
	<u>2,352</u>	<u>488</u>	<u>2,987</u>

### 25. PARENT UNDERTAKING AND CONTROLLING PARTY

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Amtek Auto Limited, which is incorporated in India.