

FC 24794

Delta Group Overseas B.V.

Hengelo & London

2004 Financial statements

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1 Financial Statements

1.1 Balance sheet as at December 31, 2004 (after appropriation of result)

	As at		As at	
	December 31, 2004		December 31, 2003	
	GBP'000	GBP'000	GBP'000	GBP'000
Financial fixed assets				
Investments in subsidiaries		(77,639)		93,782
Current assets				
Amounts owed by group undertakings	219,157		40,782	
Other receivables	0		648	
Cash at bank and in hand	-		6,309	
		219,157		47,739
		<u>141,518</u>		<u>141,521</u>
	As at		As at	
	December 31, 2003		December 31, 2002	
	GBP'000	GBP'000	GBP'000	GBP'000
Shareholder's equity				
Issued and paid-in capital	18		18	
Share premium	259,097		259,097	
Revaluation reserve	(53,815)		(53,741)	
Other reserves	(63,782)		(63,911)	
		141,518		141,463
Current liabilities				
Taxation	0		0	
Other payables and accruals	0		58	
		0		58
		<u>141,518</u>		<u>141,521</u>

1.2 Profit and loss account for the year ended December 31, 2003

	2004		2003	
	GBP'000	GBP'000	GBP'000	GBP'000
Financial income				
Interest income	71		415	
Dividend income	<u>0</u>		<u>278</u>	
		<u>71</u>		<u>693</u>
Financial Expense				
Interest Expense		0		0
Net financial income		71		693
General and administrative expenses		0		(13)
Release of prior year expenses provision		58		
Gain / (Loss) on disposals of investments		<u>0</u>		<u>(2,105)</u>
Profit / (loss) before taxation		129		(1,425)
Taxation for the year		<u>0</u>		<u>0</u>
Release of prior year taxation				
Net profit / (loss)		<u>129</u>		<u>(1,425)</u>

1.3 Notes to the financial Statements

1.3.1 General

Activities

Delta Overseas B.V. ('the Company') was incorporated on May 16, 1994. The Company is part of the Delta Group, of which Delta plc. is the ultimate parent company. The principal activity of the Company is that of an intermediate holding and finance Company.

Review of the year

During 2004, Delta Group Overseas B.V. ('the Company') transferred to Delta Plc, its ownership of Delta Group Investments B.V. and Delta Electrical and Engineering Holdings B.V.

Also during 2004, Aldway finance redeemed its shares held by Delta Group Overseas B.V. ('the Company')

The remaining subsidiaries of the Company are dormant and it is envisaged that the subsidiaries and the Company will be liquidated or otherwise disposed of during the next few years.

Group structure

The Company forms a part of the Delta Group and is a subsidiary of Delta Group International Holding Ltd, of which Delta plc. is the ultimate parent Company.

Consolidation

As the Company is an intermediate holding company that is not directly involved in the day to-day management of its subsidiaries, the Company has decided to make use of the provisions of Article 408, Book 2 of the Netherlands Civil code, which includes the exemption from sub-consolidation for an intermediate holding company whose parent is domiciled within the European Union. Consequently, the consolidated financial statements of the ultimate parent company, Delta plc. are filed together with these financial statements at the Chamber of Commerce in Enschede

1.3.2 Accounting policies

General

Unless otherwise stated, assets and liabilities are shown at the amount for which they were acquired or incurred.

Foreign currency

Assets and liabilities denominated in foreign currencies are reflected in Pound Sterling at the exchange rate ruling at balance sheet date. Foreign currency transactions have been reflected in Pound Sterling at that exchange rate in effect at the time of the transaction.

Determination of result

The result represents the difference between the realisable financial income and the costs and other charges for the year. The results on transactions are recognised in the year in which they are realised and losses are taken as soon as they are foreseeable. Costs are allocated to the reporting year to which they relate.

Financial fixed assets

Financial fixed assets comprise investments in subsidiary companies and other investments.

The investments in subsidiary companies and other investments are valued at net current value, which equals the net asset value under UK GAAP on a portfolio basis. This is considered the best reflection of the underlying value of the companies especially in the light of the international environment of the company (Article 389, Book 2 of the Netherlands Civil Code).

Other assets and liabilities

Assets and liabilities are valued at face value unless otherwise indicated. Where necessary, a provision for doubtful debts has been made.

Revaluation reserve

The revaluation reserve comprises the unrealised changes of the investments in subsidiaries and other investments as of January 1, 2004. Realised changes such as dividends and profit and loss on sale of investments will be directly recognised in the profit and loss account.

1.3.3 Notes to the balance sheet

Financial fixed assets

Investments in subsidiary companies comprise the following directly owned subsidiary companies:

Name	Domicile	Percentage Ownership
Delta Group International B.V.*1	The Netherlands	100
Delta Electrical and Engineering Holdings B.V.*1	The Netherlands	100
Aldway Finance*2	United Kingdom	100
Holec Investments B.V.	The Netherlands	100

*1 Shares in these companies were transferred to Delta Plc in 2004

*2 The Company redeemed its shares held by Delta Group Overseas B.V.

The movement in the investments in subsidiaries can be summarised as follows:

	Investment in Subsidiaries 2004	Investment in Subsidiaries 2003
Opening book value	93,782	84,345
Additional capital		
Share buyback by subsidiary	(10,510)	0
Dividend received	0	(248)
Disposals / Acquisitions	(160,837)	(6,523)
Revaluation of current value of investments	(74)	16,208
Closing book value	<u>(77,639)</u>	<u>93,782</u>

Current assets

Amount due from group companies. This amount represents short-term loans from group companies.

Shareholder's equity

Movements in shareholder's equity are reflected as follows:

	Issued and paid-in capital	Share premium	Revaluation reserve	Other reserves	Total
	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
January 1, 2004	18	259,097	(53,741)	(63,911)	141,463
Movements:					
Dividends paid	0	0	0	0	0
Change in value of investments (revaluation net of dividend received)			(74)		(74)
Net result for the year				129	129
December 31, 2004	<u>18</u>	<u>259,097</u>	<u>(53,815)</u>	<u>(63,782)</u>	<u>141,518</u>

The Company's authorised share capital consists of 91.000 ordinary shares with a nominal value of EUR 100 each of which 22.800 shares (2003: 22.800 shares) are issued and fully paid-in.

1.3.4 Employees

During 2004, the company had no employees (2003:0).

1.3.5 Directors

The company has four executive directors and no supervisory directors. The directors received no remuneration in 2004 (2003:GBP 0). They receive their remuneration as employees of other members of the Delta Group

London,

Directors:



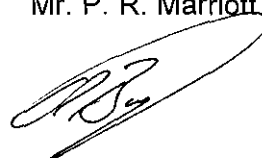
Mr. T.G. Atkinson



Mr. P. R. Marriott



Mr. M. Luton



Mr. A. Bunyan

2 Supplementary information

2.1 Audit requirement

The Company's financial statements have not been audited since this is not required under the exemption by Article 396 subsection 6 of the Dutch Civil code

2.2 Statutory regulation in respect of appropriation of result

In accordance with article 24 of the Articles of Association, appropriation of the net result after taxation for the year is at the discretion of the annual shareholder's meeting.

2.3 Proposed appropriation of net result

The Board of Directors proposes add the net result of GBP 129k to other reserves. This proposal has already been incorporated in these financial statements.