

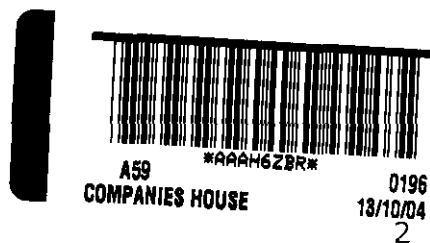
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PC 24794

Delta Group Overseas B.V.

Hengelo & London

2003 Financial statements



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1.1 Company's business

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 Company acts as an intermediate holding company for the Delta Group.

1.2 Registered office

As from April 1st, 2003, the management and control of the Company was relocated from Hengelo, the Netherlands, to London, following the sale by the Delta group of the Holec electrical business based at Hengelo.

1.3 Review of the year

In January 2003, the sale of the company's investment in electrical businesses to Eaton Corporation was completed, involving businesses in Hong Kong; Singapore; Denmark; Sweden, Finland, the US; Australia and Germany. It had originally been envisaged that the company's investment in Holec di Caribe (Netherlands Antilles) would also be sold to Eaton Corporation as part of this transaction, but eventually the investment in Holec di Caribe was sold to the joint venture partner in March 2004.

In July 2003, Delta Group Overseas B.V. ('the Company') sold its shares in Delta South Africa Investments (Pty) Limited (holder of the company's investment in Cobra) to Tomkins Plc.

1.4 Employees

During 2003, the Company had no employees. (2002: nil)

1.5 Change of Directors

The directors of the company on 31/12/2002 were R Denekamp, T.G. Atkinson, D.W. den Herder and H.A. van der Giessen.

During January 2003, Mr A.J. Simpson and Mr G. Wolthuis were appointed as directors.

On March 31st, 2003, Mr R. Denekamp, Mr G. Wolthuis, Mr D.W. den Herder and Mr H.A. van der Giessen resigned as directors.

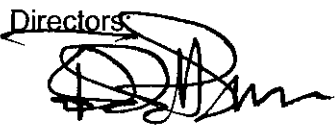
On April 1st, 2003, Mr P.J. Denby, Mr P.R. Marriott and Mr M.P.W. Robson were appointed as directors.

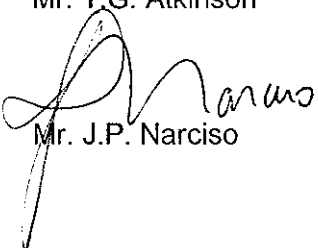
During July 2003 Mr P.J. Denby and Mr. A.J. Simpson resigned as directors, and Mr J.P. Narciso was appointed as a director.


The directors of the company on 31/12/2003 were T.G Atkinson; Mr P.R. Marriott; Mr M. P. W. Robson and Mr. J.P. Narciso. There have been no further changes of director between 31/12/2003 and the date of these accounts.


London,

Directors


Mr. T.G. Atkinson


Mr. J.P. Narciso


Mr. M. P. W. Robson


Mr. P. R. Marriott

2 Financial statements

2.1 Balance sheet as at December 31, 2003 (after appropriation of result)

	<u>December 31, 2003</u>		<u>December 31, 2002</u>	
	GBP'000	GBP'000	GBP'000	GBP'000
Financial fixed assets				
Investments in subsidiaries		93,782		84,345
Current assets				
Amounts owed by group undertakings	40,782		32,226	
Other receivables	648		0	
Cash at bank and in hand	<u>6,309</u>		<u>10,415</u>	
		47,739		42,641
		<u>141,521</u>		<u>126,986</u>
	<u>December 31, 2003</u>		<u>December 31, 2002</u>	
	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	(53,741)		(69,701)	
Other reserves	<u>(63,911)</u>		<u>(62,485)</u>	
		141,463		126,929
Current liabilities				
Taxation	0		0	
Other payables and accruals	<u>58</u>		<u>57</u>	
		58		57
		<u>141,521</u>		<u>126,986</u>

2.2 Profit and loss account for the year ended December 31, 2002

	JAN 03 - MAR 03		APR 03 - DEC 03		2003		2002	
	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
Financial income								
Interest income	70		345		415		1,529	
Dividend income		70	278		278		10,511	
				623		693		12,040
Financial Expense								
Interest Expense		0		0		0		(2)
Net financial income		70		623		693		12,038
General and administrative expenses								
Provision for diminution in value of investments		(11)		(2)		(13)		(23)
Gain / (Loss) on disposals of investments		727		(2,832)		(2,105)		(77,696)
								0
Profit / (loss) before taxation		786		(2,211)		(1,425)		(65,681)
Taxation for the year		0		0		0		0
Release of prior year taxation								57
Net profit / (loss)		786		(2,211)		(1,425)		(65,624)

2.3 Notes to the financial Statements

2.3.1 General

Activities

The principal activity of the Company is that of an intermediate holding and finance Company.

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.

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')

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

2.3.2 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, 2003. Realised changes such as dividends and profit and loss on sale of investments will be directly recognised in the profit and loss account.

2.3.3 Notes to the balance sheet

Financial fixed assets

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

Name	Domicile	Percentage Ownership
Delta South Africa (Investments) Pty Ltd.*1	South Africa	100
Delta Group International B.V.*2	The Netherlands	100
Delta Electrical and Engineering Holdings B.V.*2	The Netherlands	100
Aldway Finance*3	United Kingdom	100
Holec Investments B.V.*3	The Netherlands	100

*1 Sold in 2003

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

*3 The liquidation of the companies were authorised in 2004

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

	Investment in Subsidiaries 2003	Investment in Subsidiaries 2002
Opening book value	84,345	168,873
Additional capital		10,510
Repayment of capital		(8,400)
Dividend received	(248)	(10,511)
Provision for diminution in value		(77,696)
Disposals / Acquisitions	(6,523)	
Revaluation of current value of investments	16,208	1,569
Closing book value	<u>93,782</u>	<u>84,345</u>

Current assets

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

Other receivable. This amount represents the balance due on proceeds from sale of the company's shares in Delta South Africa Investments (Pty) Limited. The balance of the sale proceeds was paid in 2004.

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
	18	259,097	(69,701)	(62,485)	126,929
Dividends paid	0	0	0	0	0
Change in value of investments (revaluation net of dividend received)	0	0	15,960		15,960
Net result for the year				(1,425)	(1,425)
	<u>18</u>	<u>259,097</u>	<u>(53,741)</u>	<u>(63,910)</u>	<u>141,464</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 (2001: 22.800 shares) are issued and fully paid-in.

2.3.4 Notes to the profit and loss account

Gain / (Loss) on disposal of investments

The gain on disposal of investments in the three months to March 31st 2003 of £727k relates to the sale of Sourdillon de Mexico by Delta Springbok Netherlands B.V. (previously known as Sourdillon International B.V.). Additional sales proceeds for Delta Springbok Netherlands B.V. were received in 2003 after the company had been liquidated.

The loss on disposal in the nine months to December 31st 2003 arose upon the sale of the company's shares in Delta South Africa Investments (Pty) Limited.

Taxation

Taxation on results

Due to the fact that the Company is head of the fiscal unity, the tax charge does not bear the relationship with the results before taxation which might normally be expected.

Fiscal unity

The Company, together with its subsidiaries Delta Electrical and Engineering Holdings B.V. and Delta Group International B.V. constitute a fiscal unity. Consequently, the Company is jointly and severally liable for all tax liabilities of the fiscal unity. 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.

Contingent liabilities

The Company (and nearly all the other 100% owned Delta group companies in the Netherlands) has a credit facility for a total of EUR 2.3 million. Each respective company can withdraw from the facility as long as the total facility of EUR 2.3 million is not exceeded. The facility was cancelled in January 2003 following the sale of the Holec Electrical business.

2.3.5 Employees

During 2003, the company had no employees (2002:0).

2.3.6 Directors

The company has four executive directors and no supervisory directors. The directors received no remuneration in 2003 (2002:GBP 0). They receive their remuneration as employees of other members of the Delta Group

London,

Directors:



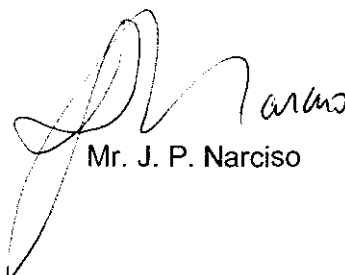
Mr. T.G. Atkinson



Mr. P. R. Marriott



Mr. M. P. W. Robson



Mr. J. P. Narciso

3 **Supplementary information**

3.1 *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

3.2 *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.

3.3 *Proposed appropriation of net result*

The Board of Directors proposes to deduct the net result of GBP 1,425k from other reserves. This proposal has already been incorporated in these financial statements.