

Nothelfer UK Limited

**Directors' report and financial
statements**

Registered number 01294792

30 September 2002



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2002.

Principal activities

The principal activity of the company is project management within the automotive industry.

Business review

The results of the company for the year to 30 September 2002 and the state of affairs at that date are shown in the financial statements on pages 4 to 14.

Dividends

The directors recommend a final dividend of £100,945 (2001: £Nil).

Directors and directors' interests

The directors who held office during the year were as follows:

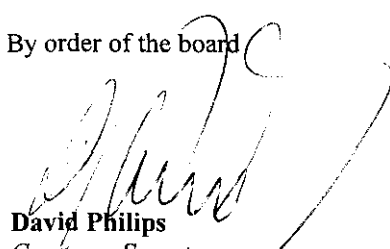
S Schlegel
P Zeller
P Peterson
P McClennon (appointed 1 June 2002)
K Linnig (appointed 17 July 2002)

The directors who held office at the year end had no disclosable interest in the shares of the company or any other group company.

Auditors

KPMG were re-appointed auditors on 20 June 2002. However, since that date their business was transferred to a limited liability partnership, KPMG LLP. Accordingly, KPMG resigned as auditors on 20 June 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising. A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


David Philips
Company Secretary

Brandon House
Woodhams Close
Siskin Drive
Middlemarch Trading Estate
Coventry
CV3 4FJ

4 February 2003

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of Nothelfer UK Limited

We have audited the financial statements on pages 4 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements 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 financial statements, 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 company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

4 February 2003

Profit and loss account
for the year ended 30 September 2002

	<i>Note</i>	2002 £	2001 Restated £
Turnover	2	3,166,506	806,753
Cost of sales		(2,207,211)	(552,863)
Gross profit		959,295	253,890
Administration costs		(801,846)	(255,823)
Operating profit/(loss)		157,449	(1,933)
Interest receivable and similar income	3	-	747
Interest payable and similar charges	4	(4,772)	(3,332)
Profit/(loss) on ordinary activities before taxation	5	152,677	(4,518)
Tax on profit/(loss) on ordinary activities	8	(47,658)	444
Profit/(loss) on ordinary activities after taxation and for the financial year		105,019	(4,074)
Dividends on equity shares		(100,945)	-
Transferred to reserves	15	4,074	(4,074)

A reconciliation of movements in shareholders' funds is given in note 15.

Balance sheet
at 30 September 2002

	<i>Note</i>	2002		2001 Restated
		£	£	£
Fixed assets				
Tangible assets	9		8,242	10,366
Current assets				
Stocks	10	82,172		-
Debtors	11	611,358		727,080
Cash at bank and in hand		327		179
		<u>693,857</u>		<u>727,259</u>
Creditors: amounts falling due within one year	12	<u>(572,099)</u>		<u>(611,699)</u>
Net current assets			<u>121,758</u>	<u>115,560</u>
Net assets			<u>130,000</u>	<u>125,926</u>
Capital and reserves				
Called up share capital	14	130,000		130,000
Profit and loss account	15	-		(4,074)
Shareholder's funds	15	<u>130,000</u>		<u>125,926</u>

These financial statements were approved by the board of directors on 4 February 2003 and were signed on its behalf by:


P McLennon
 Director

Statement of recognised gains and losses
for the year ended 30 September 2002

	2002	2001
	£	Restated £
Total recognised gains and losses relating to the financial year	105,019	(4,074)
Prior year adjustment (as explained in note 13)	10,944	
Total gains and losses recognised since last annual report	115,963	

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to company's financial statements. The company has adopted FRS 18 *Accounting policies* and FRS 19 *Deferred tax* in these financial statements. The comparative figures have been restated accordingly and the effect to the financial statements has been disclosed in notes 8 and 13.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly-owned subsidiary of ThyssenKrupp AG, the company has taken advantage of the exemption contained in FRS 8 and has, therefore, not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of ThyssenKrupp AG, within which this company is included, can be obtained from the address given in note 18.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold land and buildings	-	Life of lease
Plant and machinery	-	25% per annum
Office equipment	-	25% per annum
Computer equipment	-	33.3% per annum

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company participates in a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

Stocks

Work in progress is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes (continued)

2 Turnover

Turnover represents amounts derived from the provision of goods and services in the UK to customers net of VAT.

3 Interest receivable and similar income

	2002 £	2001 £
Interest receivable from bank	-	747
	<u> </u>	<u> </u>

4 Interest payable and similar income

	2002 £	2001 £
Interest payable on bank overdraft	4,772	3,332
	<u> </u>	<u> </u>

5 Profit/(loss) on ordinary activities before taxation

	2002 £	2001 £
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Profit/(loss) on ordinary activities before taxation is stated

after charging

Depreciation	2,920	52,090
Auditors' remuneration		
Audit	4,670	3,000
Other services	1,000	-
Operating lease rentals - land and buildings	15,430	11,319
	<u> </u>	<u> </u>

6 Staff numbers and costs

The average number of employees (including directors) during the year was as follows:

	Number	Number
Administration and marketing	8	6
Direct production	16	16
	<u> </u>	<u> </u>
	24	22
	<u> </u>	<u> </u>

The aggregate payroll costs for these persons was as follows:

	£	£
Wages and salaries	755,008	225,635
Social security costs	71,532	22,105
Other pension costs	65,140	10,113
	<u> </u>	<u> </u>
	891,680	257,853
	<u> </u>	<u> </u>

Notes (continued)

7 Remuneration of directors

	2002 £	2001 £
Emoluments as directors	111,319	23,997

8 Taxation on profit/(loss) on ordinary activities

Analysis of charge in period

	2002 £	2001 Restated £
<i>UK corporation tax</i>		
Current tax on income for the period	47,953	10,500
Adjustments in respect of prior periods	3,174	-
Total current tax	51,127	10,500
Deferred tax (see note 13)	(123)	(10,944)
Adjustment in respect of previous years	(3,346)	-
Tax on profit/(loss) on ordinary activities	47,658	(444)

The group has adopted FRS 19 *Deferred tax* in the preparation of these financial statements. This has resulted in the restatement of figures for the year ended 30 September 2001, with the tax charge for that period having been reduced by £10,944.

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2001: *higher*) than the standard rate of corporation tax in the UK 30% (2001: 30 %). The differences are explained below.

	2002 £	2001 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	152,677	(4,518)
Current tax at 30% (2001: 30 %)	45,803	(1,355)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	2,027	911
Deferred tax	123	10,944
Adjustments in respect of prior period	3,174	-
Total current tax charge (see above)	51,127	10,500

Notes (continued)

9 Tangible fixed assets

	Plant and machinery £	Computer equipment £	Office equipment £	Total £
Cost				
At beginning of year	507	51,572	10,377	62,456
Additions	-	-	796	796
At end of year	507	51,572	11,173	63,252
Depreciation				
At beginning of year	11	51,572	507	52,090
Charge for year	126	-	2,794	2,920
At end of year	137	51,572	3,301	55,010
Net book value				
At 30 September 2002	370	-	7,872	8,242
At 30 September 2001	496	-	9,870	10,366

10 Stocks

	2002 £	2001 £
Work in progress	82,172	-

11 Debtors

	2002 £	2001 Restated £
Trade debtors	275,355	-
Amount due from group undertakings	159,428	649,302
Other debtors	93,256	65,438
Net deferred tax assets	14,413	10,944
Prepayments and accrued income	68,906	1,396
	611,358	727,080

Notes (continued)

12 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank overdraft	3,885	287,579
Trade creditors	225,759	8,051
Amount due to group undertakings	151,372	273,295
Taxation and social security	70,793	10,500
Other creditors	20,675	-
Accruals	99,615	32,274
	<u>572,099</u>	<u>611,699</u>

13 Deferred tax

The company has implemented FRS 19 *Deferred tax* in the preparation of these financial statements. FRS 19 requires full provision to be made for deferred tax assets and liabilities arising from timing differences between recognition in the financial statements and in the tax computations of the company. The cumulative effect of implementing FRS 19 has been treated as a prior year adjustment.

	2002 £
Opening net provision for deferred tax – as previously reported	-
Prior year adjustment	10,944
	<u>10,944</u>
Opening net provision for deferred tax – as restated	10,944
Credit for the year	3,469
	<u>14,413</u>
Closing asset	<u>14,413</u>

The elements of deferred taxation are as follows:

	2002 £	2001 Restated £
Difference between accumulated depreciation and capital allowances	10,585	10,944
Short term timing differences	3,828	-
	<u>14,413</u>	<u>10,944</u>

14 Share capital

	2002 £	2001 £
<i>Authorised, allotted, called up and fully paid</i>		
130,000 ordinary shares of £1 each	<u>130,000</u>	<u>130,000</u>

Notes (continued)

15 Reconciliation of shareholder's funds and movements on reserves

	Share Capital £	Profit and loss £	Total £
At beginning of year – as requested	130,000	(15,018)	114,982
Prior year adjustment	-	10,944	10,944
At beginning of year – as restated	130,000	(4,074)	125,926
Retained profit for the year	-	4,074	4,074
At end of year	<u>130,000</u>	<u>-</u>	<u>130,000</u>

16 Commitments

At 30 September 2002 the company had annual commitments under non-cancellable operating leases as set out below:

	2002 Land and buildings £	Plant and machinery £	2001 Land and buildings £	Plant and machinery £
Operating leases which expire In second to fifth year inclusive	<u>42,677</u>	<u>14,373</u>	<u>10,692</u>	<u>-</u>

17 Pensions

The company participates in the defined benefit scheme of Cross Hüller Limited. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by RS 17 "Retirement benefits", the scheme has been accounted for, in these financial statements, as if the scheme was a defined contribution scheme.

Details of the latest full actuarial valuation as at 1 January 2000 using the projected unit method, are given in the financial statements of Cross Hüller Limited.

The pension cost charged to the profit and loss account is in accordance with the advice of a qualified actuary who is not an employee of the group. Based on the last full valuation, the scheme actuary recommended a total contribution rate of 15.5% of pensionable salaries.

The total pension cost for the company was £62,000 (2001: £10,000). The amount of pension contributions owed by the company to the pension scheme at the balance sheet date were £5,000 (2001: £Nil).

Notes (continued)

17 Pensions (continued)

The market value of assets in the scheme and the expected rates of return at 30 September 2002 were:

	Expected rates of return	Value at 30 September 2002 £000
Equities	7.25%	15,041
Bonds and Gilts	4.50%	-
Other	4.50%	10
Total market value of assets		21,963
Present value of scheme liabilities		(39,369)
Deficit in the scheme		(17,716)
Related deferred tax asset (at 30%)		5,315
Net pension liability		(12,401)

The major implication of the total scheme deficit for the company is that its contributions may have to be increased to help eliminate any such deficit. However, the level of contributions to be made is based on the results of the funding valuation, rather than the FRS 17 valuation. The next triennial actuarial valuation will be prepared as at 1 January 2003. Also, in the event that the scheme were to be wound up, the company would be jointly and severally liable for the full deficit.

18 Ultimate parent company and immediate parent undertaking

The company's ultimate parent company is ThyssenKrupp AG, a company incorporated in Germany. The company's immediate parent undertaking is ThyssenKrupp UK plc.

The largest and smallest group in which the results of the company are consolidated is that headed by ThyssenKrupp AG. The consolidated financial statements of ThyssenKrupp AG are available to the public and may be obtained from ThyssenKrupp AG, August-Thyssen-Strasse 1, D-40211 Düsseldorf, Germany.