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Company Number 1534607

BELIMO AUTOMATION UK LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2000**



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BELIMO AUTOMATION UK LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

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BELIMO AUTOMATION UK LIMITED

**COMPANY INFORMATION
AT 31 DECEMBER 2000**

DIRECTORS

C M Shepherd
B Muller-Junker

SECRETARY

J E Rhodes

REGISTERED OFFICE

St Martins House
31-35 Clarendon House
Watford
Herts
WD1 1JA

BUSINESS ADDRESS

The Lion Centre
Hampton Road West
Feltham
Middx
TW13 6DS

AUDITORS

Hillier Hopkins
Chartered Accountants
St Martins House
31-35 Clarendon Road
Watford
Herts
WD1 1JA

BELIMO AUTOMATION UK LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was the importation of electrical components for use in the heating and ventilation industry.

No significant change in the nature of these activities occurred during the year.

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £376,529.

A review of the operations of the company during the financial year and the results of those operations are as follows:

The director considers the continued development of the company throughout the year and the state of the company's affairs at the balance sheet date to be satisfactory.

DIVIDENDS

The directors have paid a dividend during the year amounting to £400,000.

POST BALANCE SHEET EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial year ended 31 December 2000.

FUTURE DEVELOPMENTS

The likely developments in the operations of the company and the expected results of these operations in the financial years subsequent to the year ended 31 December 2000 are as follows:

The company will continue its current activities for the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the ultimate parent company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2000	1999
C M Shepherd	Ordinary shares	-	220
B Muller-Junker	Ordinary shares	200	-

Directors appointed during the year:
B M Junker 29th March 2000

BELIMO AUTOMATION UK LIMITED

DIRECTORS' REPORT

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 as at the end of the financial year 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 judgements and estimates that are reasonable and prudent;
- 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 maintaining 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 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.

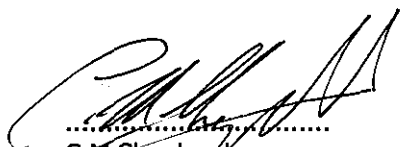
POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company did not make any political contributions but made charitable contributions of £200.

AUDITORS

The auditors, Hillier Hopkins, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

On behalf of the board:



.....
C.M. Shepherd
Director

Date: ...09.06.01.....

BELIMO AUTOMATION UK LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF 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 as to whether 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 affairs of the company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled to the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts for the financial year ended 31 December 2000.



**Hillier Hopkins
Chartered Accountants
& Registered Auditor
St Martins House
31-35 Clarendon Road
Watford
Herts
WD1 1JA**

Date: 17 April 2001

BELIMO AUTOMATION UK LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
TURNOVER		5,147,095	4,888,598
Cost of sales		3,707,114	3,374,353
GROSS PROFIT		1,439,981	1,514,245
Distribution costs		129,697	159,968
Administrative expenses		731,452	689,067
OPERATING PROFIT	2	578,832	665,210
Investment income and interest receivable	3	10,647	8,148
Interest payable and similar charges	4	(46,938)	(79,008)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		542,541	594,350
Tax on profit on ordinary activities	7	(166,012)	(176,534)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		376,529	417,816
Dividends	8	(400,000)	(300,000)
(ACCUMULATED LOSS) / RETAINED PROFIT FOR THE FINANCIAL YEAR	16	(23,471)	117,816

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

Historical cost

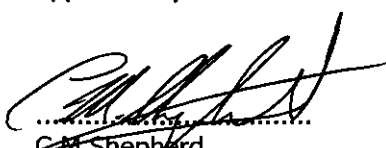
The difference between the results as disclosed in the profit and loss account before tax, and accumulated loss for the year, on an unmodified historical cost basis is not material.

The notes on pages 8 to 16 form part of these financial statements.

BELIMO AUTOMATION UK LIMITED**BALANCE SHEET
AT 31 DECEMBER 2000**

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	9		357,131		380,467
CURRENT ASSETS					
Stocks	10	288,001		431,086	
Debtors	11	1,099,169		1,123,056	
Cash at bank and in hand		127,101		201,886	
		1,514,271		1,756,028	
CREDITORS: amounts falling due within one year	12	(533,348)		(773,895)	
NET CURRENT ASSETS			980,923		982,133
TOTAL ASSETS LESS CURRENT LIABILITIES			1,338,054		1,362,600
CREDITORS: amounts falling due after more than one year	13		(700,000)		(701,075)
NET ASSETS			638,054		661,525
CAPITAL AND RESERVES					
Called up share capital	15		100		100
Profit and loss account	16		637,954		661,425
TOTAL SHAREHOLDERS' FUNDS	17		638,054		661,525

Approved by the board of directors on Monday 9th Jan 2001 and signed on its behalf by:



 C M Shepherd
 Director

BELIMO AUTOMATION UK LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
CASH FLOW FROM OPERATING ACTIVITIES	2	592,951	222,343
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	18	(36,291)	(16,901)
TAXATION	18	(190,011)	(3,515)
CAPITAL EXPENDITURE	18	(35,355)	(52,249)
EQUITY DIVIDENDS PAID		(400,000)	(300,000)
Cash outflow before use of liquid resources and financing		(68,706)	(150,322)
FINANCING	18	(6,079)	(12,836)
DECREASE IN CASH IN THE YEAR		<u>(74,785)</u>	<u>(163,158)</u>

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

	19		
DECREASE IN CASH IN THE YEAR		(74,785)	(163,158)
Cash outflow from decrease in debt and lease financing		6,079	12,836
Change in net debt resulting from cash flows		(68,706)	(150,322)
Movement in net debt in the year		(68,706)	(150,322)
Net debt at 1 January 2000		(504,453)	(354,131)
Net debt at 31 December 2000		<u>(573,159)</u>	<u>(504,453)</u>

The notes on pages 8 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

Consolidation

The company forms part of a medium-sized group. The ultimate parent company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Freehold Land & Buildings	3% on cost
Fixtures and Fittings	12.5-33% on cost
Motor Vehicles	33% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value.

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

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the profit and loss account for the year.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Pension costs

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****2. OPERATING PROFIT**

Operating profit is stated	2000 £	1999 £
After charging:		
Depreciation of fixed assets	72,101	60,308
Loss on disposal of tangible assets	-	500
Auditors' remuneration	15,680	12,800
	<u> </u>	<u> </u>
After crediting:		
Profit on disposal of tangible assets	13,409	-
	<u> </u>	<u> </u>
 Reconciliation of operating profit to net cash inflow from operating activities		
	2000 £	1999 £
Operating profit	578,833	665,212
Depreciation	72,101	60,308
(Profit) / loss on disposal of fixed assets	(13,409)	500
Decrease / (increase) in stocks	143,086	(117,392)
Decrease / (increase) in debtors	23,887	(306,318)
Decrease in creditors	(211,547)	(79,966)
	<u> </u>	<u> </u>
Net cash inflow from operating activities	592,952	222,341
	<u> </u>	<u> </u>

3. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2000 £	1999 £
Interest received and receivable		
Bank interest	10,647	8,148
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On amounts payable to group undertakings	46,133	76,738
Lease finance charges and hire purchase interest	805	2,270
	<u> </u>	<u> </u>
	46,938	79,008
	<u> </u>	<u> </u>

BELIMO AUTOMATION UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****5. INFORMATION ON DIRECTORS AND EMPLOYEES**

	2000	1999
	£	£
Staff costs		
Wages and salaries	434,442	392,531
Social security costs	45,540	55,007
Other pension costs	36,845	40,377
	<u>516,827</u>	<u>487,915</u>

	2000	1999
	No.	No.
The average number of employees during the year was made up as follows:		
Sales	9	9
Administration	7	5
	<u>16</u>	<u>14</u>

	2000	1999
	£	£
Directors' emoluments		
Emoluments	107,286	93,468
Pension contributions to money purchase (defined contribution) schemes	7,842	22,250
	<u>115,128</u>	<u>115,718</u>

The number of directors for whom benefits are accruing under a money purchase scheme is 1.

6. PENSION COSTS**Money purchase (defined contribution) pension scheme**

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £36,845 (1999: £40,377).

BELIMO AUTOMATION UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2000 £	1999 £
The taxation charge comprises:		
Corporation tax at 31% (1999 - 33%)	166,012	176,534

8. DIVIDENDS PAID OR PROPOSED

	2000 £	1999 £
On ordinary shares:		
Interim dividends paid		
Dividend - ordinary shares	400,000	300,000

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost:				
At 1 January 2000	300,000	277,871	121,642	699,513
Additions	-	8,144	40,711	48,855
Disposals	-	-	(52,498)	(52,498)
At 31 December 2000	300,000	286,015	109,855	695,870
Depreciation:				
At 1 January 2000	32,250	217,917	68,878	319,045
Charge for year	9,000	27,282	35,819	72,101
On disposals	-	-	(52,407)	(52,407)
At 31 December 2000	41,250	245,199	52,290	338,739
Net book value:				
At 31 December 2000	258,750	40,816	57,565	357,131
At 31 December 1999	267,750	59,953	52,764	380,467

	2000 £	1999 £
Analysis of net book value of land and buildings:		
Freehold	258,750	267,750

BELIMO AUTOMATION UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****9. TANGIBLE FIXED ASSETS - (continued)**

Included above are assets held under finance leases or hire purchase contracts as follows:

	2000 £	1999 £
Net book values:		
Motor vehicles	613	9,058
Depreciation charge for the year:		
Motor vehicles	5,527	11,065

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

The freehold property was valued by Fuller Moon & Fuller Chartered Surveyors on 10th January 1994. At 31st December 1998 the corresponding amount under the historical cost convention was £517,994.

10. STOCKS

	2000 £	1999 £
Finished goods and goods for resale	288,001	431,086

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

11. DEBTORS

	2000 £	1999 £
Trade debtors	1,075,043	1,104,202
Prepayments and accrued income	24,126	18,854
	1,099,169	1,123,056

BELIMO AUTOMATION UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****12. CREDITORS: amounts falling due within one year**

	2000	1999
	£	£
Net obligations under finance leases and hire purchase contracts	260	5,264
Trade creditors	4,870	51,201
Amounts owed to group undertakings	295,526	503,216
Corporation tax	79,421	103,420
Other taxes and social security costs	111,081	64,739
Other creditors	419	-
Accruals and deferred income	41,771	46,055
	<u>533,348</u>	<u>773,895</u>

13. CREDITORS: amounts falling due after more than one year

	2000	1999
	£	£
Loans from group undertakings	700,000	700,000
Net obligations under finance leases and hire purchase contracts	-	1,075
	<u>700,000</u>	<u>701,075</u>

BELIMO AUTOMATION UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

	2000 £	1999 £
The company's obligations are repayable as follows:		
Within one year or on demand	490	6,164
In two to five years	-	1,210
Total gross obligations	490	7,374
Finance charges and interest allocated to future accounting periods	(230)	(1,035)
Total net obligations	260	6,339
Net obligations analysed as follows:		
Included in creditors - amounts falling due within one year	260	5,264
Included in creditors - amounts falling due after more than one year	-	1,075
	260	6,339

15. SHARE CAPITAL

	2000 £	1999 £
Authorised:		
Equity interests:		
100 Ordinary shares of £1	100	100
Allotted, called up and fully paid:		
Equity interests:		
100 Ordinary shares of £1	100	100

16. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Retained profit at 1 January 2000	661,425	543,609
Loss for the year	(23,471)	117,816
Retained profit at 31 December 2000	637,954	661,425

BELIMO AUTOMATION UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2000 £	1999 £
Profit for the financial year	376,529	417,816
Dividends	(400,000)	(300,000)
Net reduction to shareholders' funds	(23,471)	117,816
Opening shareholders' funds	661,525	543,709
Closing shareholders' funds	638,054	661,525
Represented by:-		
Equity interests	638,054	661,525

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	10,647	8,148
Interest paid	(46,133)	(22,779)
Interest element of hire purchase contracts	(805)	(2,270)
Net cash outflow from returns on investments and servicing of finance	(36,291)	(16,901)
Taxation		
Corporation tax paid	(190,011)	(3,515)
Capital expenditure		
Purchase of tangible fixed assets	(48,855)	(63,349)
Receipts from sale of tangible fixed assets	13,500	11,100
Net cash outflow from capital expenditure	(35,355)	(52,249)
Financing		
Repayments of capital element of hire purchase contracts	(6,079)	(12,836)
Net cash outflow from financing	(6,079)	(12,836)

BELIMO AUTOMATION UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****19. ANALYSIS OF NET DEBT**

	1999	Cash flow	2000
	£	£	£
Cash at bank and in hand	201,886	(74,785)	127,101
Debt due after one year	(700,000)	-	(700,000)
Finance leases	(6,339)	6,079	(260)
	<u>(504,453)</u>	<u>(68,706)</u>	<u>(573,159)</u>

20. RELATED PARTY DISCLOSURES

During year ended 31st December 2000 the company made purchases from group companies at market rates of £3,385,607.

At the year end the company had a loan outstanding from its holding company of £700,000. Interest payable on the loan is 5.5% and the length of the loan is indefinite. Interest payable on the loan during the year totalled £38,500.

At the balance sheet date the company owed group companies £295,526 in trading activities.

21. ULTIMATE PARENT COMPANY

The ultimate parent company is Belimo Automation AG, a company incorporated in Switzerland.