

**ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED**  
**(Registration Number 1699760)**

REPORT AND ACCOUNTS

31 DECEMBER 2003



Jackson & Co  
Chartered Accountants  
Parkway House  
Sheen Lane  
London SW14 8LS

**ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED**

DIRECTOR

P E J McDermott

SECRETARY

M S-M Green

AUDITORS

Jackson & Co  
Chartered Accountants  
Parkway House  
Sheen Lane  
London SW14 8LS

BANKERS

National Westminster Bank Plc  
156 Fleet Street  
London SW14 2DX

REGISTERED OFFICE

Lacon House  
Theobald's Road  
London WC1X 8RW

# ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED

## REPORT AND ACCOUNTS

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# **ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED**

## **DIRECTOR'S REPORT**

The Director presents his report together with the accounts of the Company for the year ended 31 December 2003.

### **PRINCIPAL ACTIVITY**

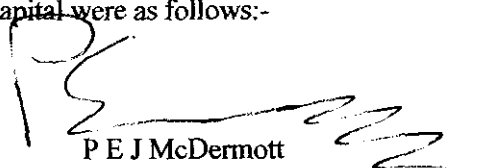
The principal activity of the group continues to be the sale of gas turbine cleaning systems.

The Company has experienced a further difficult year's trading, experiencing lower profit margins for the third year running. The loss before taxation was £69,728 (2002 – profit £27,977).

The Company is continuing to strengthen its sales and marketing structure, and expand its products and services range, in order to maximise its results in an on-going competitive trading environment.

### **DIRECTOR**

The director in office in the year and his beneficial interests in the Company's issued ordinary share capital were as follows:-

  
P E J McDermott

31 December 2003

1 January 2003

### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit and loss of the Company 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

### **AUDITORS**

The auditors, Jackson & Co Chartered Accountants, are deemed to be reappointed in accordance with section 385 of the Companies Act 1985.

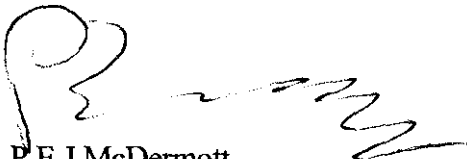
**ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED**

**DIRECTOR'S REPORT (continued)**

**SMALL COMPANY PROVISIONS**

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors

  
P E J McDermott  
Director

30 June 2004

## **ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED**

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We have audited the financial statements on pages 5-12 of Rochem Technical Services (Europe) Limited for the year ended 31 December 2003 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 7-8.

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 auditor's 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 opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Directors Report on page 1, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. The 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.

**ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED (continued)**

**OPINION**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its results for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



**JACKSON AND CO**  
Chartered Accountants  
Parkway House  
Sheen Lane  
London SW14 8LS

Registered Auditors

30 June 2004

# ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 31 DECEMBER 2003

	Notes	2003 £	2002 £
Turnover	2	1,345,580	1,321,950
Cost of Sales		(685,912)	(574,118)
		<hr/>	<hr/>
Gross Profit		659,668	747,832
Administrative Expenses		(726,072)	(717,321)
		<hr/>	<hr/>
Operating (Loss) / Profit	3	(66,404)	30,511
Interest Receivable		350	152
Interest Payable		(3,674)	(2,686)
		<hr/>	<hr/>
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(69,728)	27,977
Taxation	6	8,000	(4,166)
		<hr/>	<hr/>
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(61,728)	23,811
<b>DIVIDENDS PROPOSED</b>		-	-
		<hr/>	<hr/>
<b>RETAINED (LOSS) / PROFIT FOR THE FINANCIAL YEAR</b>		(61,728)	23,811
<b>RETAINED PROFIT AT 1 JANUARY 2003</b>		347,366	323,555
		<hr/>	<hr/>
<b>RETAINED PROFIT AT 31 DECEMBER 2003</b>		£285,638	£347,366
		<hr/> <hr/>	<hr/> <hr/>

### 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



# ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED

## BALANCE SHEET AT 31 DECEMBER 2003

	Notes	2003 £	2002 £
<b>FIXED ASSETS</b>			
Tangible assets	4	<u>213,788</u>	<u>190,401</u>
<b>CURRENT ASSETS</b>			
Stock and work in progress	10	221,509	158,021
Debtors	9	102,517	238,474
Cash on hand and at bank		74,535	51,765
		<u>398,561</u>	<u>448,260</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	(138,922)	(104,515)
<b>NET CURRENT ASSETS</b>		<u>259,639</u>	<u>343,745</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		473,427	534,146
<b>CREDITORS: Amounts falling due after more than one year</b>	8	<u>(37,789)</u>	<u>(36,780)</u>
		<u>£435,638</u>	<u>£497,366</u>
Represented by:			
<b>CAPITAL AND RESERVES</b>			
		£	£
Called up share capital	5	150,000	150,000
Profit and loss account		<u>285,638</u>	<u>347,366</u>
<b>SHAREHOLDERS' FUNDS</b>	14	<u>£435,638</u>	<u>£497,366</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board of Directors

P J McDermott  
Director

Approved by the Board  
30 June 2004

The notes on pages 7-12 form part of these accounts

# ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED

## NOTES TO THE ACCOUNTS AT 31 DECEMBER 2003

### 1 **Accounting Policies**

#### (1) Basis of Accounting

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

#### (ii) Turnover

Turnover represents the invoiced value of goods sold in the year, excluding Value Added Tax.

#### (iii) Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost of each asset over its estimated useful life as follows:

Furniture & Fittings	-	15% per annum of cost
Plant & Machinery	-	15% per annum of cost
Motor Vehicles	-	25% per annum of cost
Leasehold Property	-	pro rata over the period of the lease

#### (iv) Stock and Work-in-Progress

Stock and work-in-progress is valued at the lower of cost and net realisable value, with no addition for labour and overhead costs.

#### (v) Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Assets held under finance leases are initially reported as fixed assets at cost, with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is depreciated over the term of the lease or its useful economic life if shorter. Finance charges are allocated to accounting periods in equal amounts over the period of the lease.

# ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED

## NOTES TO THE ACCOUNTS AT 31 DECEMBER 2003 (continued)

### 1. Accounting Policies (continued)

#### (vi) Pension Costs

Contributions in respect of the Company's defined contribution pension scheme are charged to the Profit and Loss Account for the year in which they are payable to the scheme

#### (vii) Foreign Currencies

Transactions denominated in foreign currencies are recorded at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### (viii) Research and Development

The Company builds prototypes for testing and analysing equipment and products for purposes of quality control. Hardware costs of prototype parts are capitalised as plant and machinery and amortised over its expected life; other related costs are written off in the year of expenditure.

#### (ix) Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise on the foreseeable future. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

### 2 Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 75% (2002 - 91%)

### 3 Operating Profit

	2003	2002
	£	£
The operating profit is stated after charging:		
Director's emoluments (including pension Contributions)	88,341	81,139
Auditors' remuneration	3,500	3,350
Depreciation of tangible fixed assets	42,251	24,536
Other operating leases	1,371	2,289

# ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED

## NOTES TO THE ACCOUNTS AT 31 DECEMBER 2003 (continued)

### 4 Tangible Fixed Assets

	Leasehold Premises	Motor Vehicles	Plant & Machinery	Furniture & Fittings	Total
	£	£	£	£	£
Cost at 1.1.03	162,370	83,871	99,538	114,643	460,422
Additions	-	61,451	216	3,971	65,638
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At cost 31.12.03	£162,370	£145,322	£99,754	£118,614	£526,060
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation at 1.1.03	27,314	61,574	93,225	87,908	270,021
Charged	2,706	27,578	2,540	9,427	42,251
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation at 31.12.03	30,020	89,152	95,765	97,335	312,272
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31.12.03	£132,350	£56,170	£3,989	£21,279	£213,788
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31.12.02	£135,056	£22,297	£6,313	£26,735	£190,401
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Assets held under finance leases or hire purchase contracts included in the above:

Net book value at 31.12.03	£ -	£56,170	£ -	£ -	£56,170
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31.12.02	£ -	£22,297	£ -	£ -	£22,297
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED

## NOTES TO THE ACCOUNTS AT 31 DECEMBER 2003 (continued)

### 5 Share Capital

	2003 £	2002 £
<u>Authorised</u>		
150,000 ordinary shares of £1	<u>£150,000</u>	<u>£150,000</u>
<u>Issued</u>		
150,000 ordinary shares of £1	<u>£150,000</u>	<u>£150,000</u>

### 6 Taxation

	2003 £	2002 £
Corporation tax provision on the profit for the year	(7,527)	8,000
Taxation over-provided in respect of previous years	<u>( 473)</u>	<u>(3,834)</u>
	<u>£(8,000)</u>	<u>£4,166</u>

### 7 Creditors: Amounts falling due within one year

	2003 £	2002 £
Creditors for taxation and social security	15,337	14,095
Accruals	12,701	14,422
Trade Creditors	33,820	37,719
Amounts owed to group undertaking	49,842	-
Other Creditors	27,222	30,279
Corporation Tax	-	8,000
	<u>£138,922</u>	<u>£104,515</u>

# **ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED**

## NOTES TO THE ACCOUNTS AT 31 DECEMBER 2003 (continued)

### **8 Creditors: Amounts falling due after more than one year**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Other		
- repayable within five years	37,789	36,780
	<hr/>	<hr/>

### **9 Debtors**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Trade Debtors	45,522	19,741
Other Debtors	49,468	91,549
Amounts owed by group undertakings	-	127,184
Corporation tax recoverable	7,527	-
	<hr/>	<hr/>
	£102,517	£238,474
	<hr/>	<hr/>

### **10 Stock and Work In Progress**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Stock	85,208	97,498
Work in Progress	136,301	60,523
	<hr/>	<hr/>
	£221,509	£158,021
	<hr/>	<hr/>

### **11 Controlling Party**

The company is controlled by Rochem Technical Services (Holdings) AG, incorporated in Switzerland, which holds 100% of the issued share capital.

# ROCHEM TECHNICAL SERVICES (EUROPE) LIMITED

## NOTES TO THE ACCOUNTS AT 31 DECEMBER 2003 (continued)

### 12 Related Parties

At the financial year-end the Company owed to the parent Company, Rochem Technical Services (Holdings) AG £49,841 (2002 - £127,184 owed by the parent company) During the year the Company provided goods and services to the parent company valued at £842,259 (2002 - £914,647) and received goods and services valued at £214,962 (2002 - £367,745).

### 13 Guarantees and other financial commitments

#### Pension arrangements

The Company operates defined contribution pension schemes on behalf of the director and employees. The assets of each scheme are held separately from those to the Company in independently administered funds. The annual commitment under these schemes is for contributions of £42,355 (2002 - £39,035).

	2003 £	2002 £
<u>Operating leases</u>	<u>Land and Buildings</u>	<u>Land and Buildings</u>
Operating leases which expire:		
- within one year	£ -	£ -
- in the second to fifth years inclusive	£ -	£ -
- over five years	£26,000	£26,000

### 14 Reconciliation of movements on shareholders' funds

	2003 £	2002
(Loss) / Profit for the financial year after taxation	(61,728)	23,811
Opening shareholders' funds at 1 January 2003	497,366	473,555
Closing shareholders' funds at 31 December 2003	<u>£435,638</u>	<u>£497,366</u>