

REGISTRAR'S COPY

COMPANY

NUMBER: 1813066

Bolsius (UK) Limited

Report and Financial Statements

Year ended
31 March 2001



BDO Stoy Hayward
Chartered Accountants

BOLSIUS (UK) LIMITED

Annual report and financial statements for the year ended 31 March 2001

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Director

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Directors

F H Rats

Secretary and registered office

Secretarial Services Limited, Kings Wharf, 20-30 Kings Road, Reading, Berkshire RG1 3EX

Company number

1813066

Auditors

BDO Stoy Hayward, Kings Wharf, 20-30 Kings Road, Reading, Berkshire RG1 3EX

BOLSIUS (UK) LIMITED

Report of the director for the year ended 31 March 2001

The director presents his report, together with the audited financial statements for the year ended 31 March 2001.

Results and dividends

The results of the company for the period are set out on page 5.

The director does not recommend the payment of a final ordinary dividend.

Principal activities, trading review and future developments

During the year the company was engaged in marketing and importation and distribution of candles

As a result of a further reorganisation, the administrative affairs of Bolsius (UK) Limited were transferred to Bolsius Nederland BV from 1 August 2000. This will further reduce administrative expenses.

The director believes that the reorganisation will enable the company to continue their marketing and sales activities in the UK in a prosperous way.

Director

The director of the company during the year was F H Rats. He did not have any interest in the ordinary share capital of the company.

Director's responsibilities

Company law requires the director 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 of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

BOLSIUS (UK) LIMITED

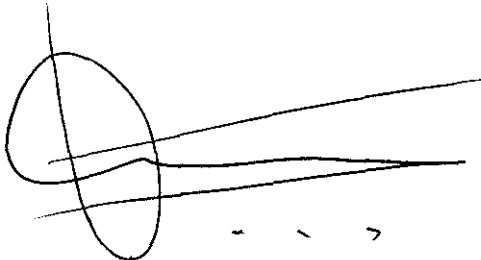
Report of the directors for the year ended 31 March 2001 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

On behalf of the Board

F H Rats
Director

A handwritten signature in black ink, consisting of a large, loopy 'F' and 'H' followed by 'Rats'. The signature is written over a horizontal line.

Date:

20/03/2003

BOLSIUS (UK) LIMITED

Report of the auditors

To the shareholders of Bolsius (UK) Limited

We have audited the financial statements of Bolsius (UK) Limited for the year ended 31 March 2001 on pages 5 to 14 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of director and auditors

The director's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 Director's 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 director's remuneration and transactions with the company is not disclosed.

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board except that the scope of our work was limited as explained below. 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. However, the evidence available to us was limited as a result of a breakdown in accounting procedures and controls as explained in note 20. There were no other satisfactory audit procedures that we could adopt to gain sufficient appropriate audit evidence. We are unable to quantify the impact on these financial statements resulting from the breakdown in systems and controls.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BOLSIUS (UK) LIMITED

Report of the auditors

Opinion: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 or of its loss for the year then ended or whether the financial statements have been properly prepared in accordance with the Companies Act 1985.

In our opinion:

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit, and
- proper accounting records had not been maintained


BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*
Reading

Date 20 March 2003.

BOLSIUS (UK) LIMITED

Profit and loss account for the year ended 31 March 2001

	Note	2001 £	2000 £
Turnover	2	1,602,254	3,482,585
Cost of sales		974,272	2,487,589
Gross profit		627,982	994,996
Distribution costs		194,049	282,874
Administrative expenses		483,258	1,821,117
Operating loss	3	(49,325)	(1,108,995)
Interest receivable	4	37,019	10,621
Interest payable	5	(2,574)	(1,937)
Loss on ordinary activities before taxation		(14,880)	(1,100,311)
Taxation	7	-	9,851
Loss on ordinary activities after taxation and amount transferred to reserves		(14,880)	(1,110,162)

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 8 to 14 form part of these financial statements

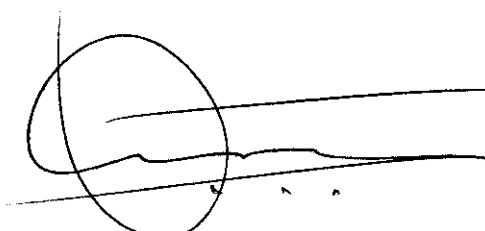
BOLSIUS (UK) LIMITED

Balance sheet at 31 March 2001

	Note	2001 £	2001 £	2000 £	2000 £
Current assets					
Debtors	8	1,325,309		333,388	
Cash at bank and in hand		537,805		832,324	
		<u>1,863,114</u>		<u>1,165,712</u>	
Creditors: amounts falling due within one year	9	<u>1,378,050</u>		<u>570,447</u>	
Net current assets			<u>485,064</u>		<u>595,265</u>
Total assets less current liabilities			<u>485,064</u>		<u>595,265</u>
Provisions for liabilities and charges	10		<u>168,396</u>		<u>263,717</u>
			<u>316,668</u>		<u>331,548</u>
Capital and reserves					
Called up share capital	11		1,250,000		1,250,000
Capital contribution reserve	12	4,883,915		4,883,915	
Profit and loss account	12	<u>(5,817,247)</u>		<u>(5,802,367)</u>	
			<u>(933,332)</u>		<u>(918,452)</u>
Equity shareholder's funds			<u>316,668</u>		<u>331,548</u>

The financial statements were approved by the Board on 20 March 2003

F H Rats
Director



20/03/2003

The notes on pages 8 to 14 form part of these financial statements

BOLSIUS (UK) LIMITED

Cash flow statement for the year ended 31 March 2001

	Note	2001 £	2001 £	2000 £	2000 £
Net cash inflow/(outflow) from operating activities	16		430,718		(949,796)
Returns on investments and servicing of finance					
Interest received		37,019		10,621	
Interest paid		(2,574)		(1,937)	
Net cash inflow from returns on investment and servicing of finance			34,445		8,684
Taxation					
UK corporation tax			40,318		-
Capital expenditure					
Purchase of tangible fixed assets		-		(2,618)	
Sale of tangible fixed assets		-		1,636,080	
Net cash inflow from capital expenditure			-		1,633,462
Cash inflow before management of liquid resources and financing			505,481		692,350
Management of liquid resources					
Loan to group company		(800,000)		-	
Cash outflow from management of liquid resources			(800,000)		-
Financing					
New loans		-		400,000	
Repayment of loan		-		(1,450,000)	
			-		(1,050,000)
Decrease in cash	17,18		(294,519)		(357,650)

The notes on pages 8 to 14 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The principal accounting policies, which did not change during the year are:-

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Operating lease assets

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

Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present obligations under the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

2 Turnover and loss

The turnover and loss before taxation is wholly attributable to the production, marketing, importation and distribution of candles.

No disclosure of geographical markets supplied is given in these financial statements as the directors consider that it would be seriously prejudicial to the company.

BOLSIUS (UK) LIMITED**Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)****3 Operating loss**

	2001 £	2000 £
Operating loss is stated after charging:		
Hire of other assets - operating leases	21,186	68,046
Depreciation	-	110,076
Auditors' remuneration - audit services	8,000	21,650
- other services	5,883	8,534
Loss on sale of fixed assets	-	36,253
	<u> </u>	<u> </u>

4 Interest receivable

	2001 £	2000 £
Bank interest	10,497	10,621
Loans to group undertakings	26,522	-
	<u> </u>	<u> </u>
	37,019	10,621
	<u> </u>	<u> </u>

5 Interest payable

	2001 £	2000 £
On bank loans and overdrafts	2,574	1,937
	<u> </u>	<u> </u>

6 Employees

	2001 Number	2000 Number
The average monthly number of employees, including director, during the year was as follows:		
Office and management	-	6
Sales, production and distribution	3	27
	<u> </u>	<u> </u>
	3	33
	<u> </u>	<u> </u>

	2001 £	2000 £
Staff costs (including director) consist of:		
Wages and salaries	144,428	595,386
Social security costs	10,667	48,299
Other pension costs	8,555	18,250
	<u> </u>	<u> </u>
	163,650	661,935
	<u> </u>	<u> </u>

BOLSIUS (UK) LIMITED**Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)****6 Employees (continued)**

	2001 £	2000 £
Director:		
Emoluments	-	73,732
Compensation for loss of office	-	34,376
	<u>-</u>	<u>108,108</u>

During the period £nil (2000 - £7,437), including expenses, was invoiced to the company by FWM Group Limited in respect of the services provided by C R Gulliver as a director of the company. This amount is included within the amounts disclosed above.

No (2000 - 1) director was a member of the company's defined contribution pension scheme.

7 Taxation

	2001 £	2000 £
Under provision in prior years	-	9,851

8 Debtors

	2001 £	2000 £
Amounts receivable within one year:		
Trade debtors	479,137	248,136
Amounts owed by group undertakings	822,870	-
Other debtors	7,105	5,875
Corporation tax	16,197	56,515
Prepayments and accrued income	-	22,862
	<u>1,325,309</u>	<u>333,388</u>

9 Creditors: amounts falling due within one year

	2001 £	2000 £
Trade creditors	27,838	44,847
Amounts owed to group undertakings	1,296,776	144,365
Other creditors	1,303	15,884
Taxation and social security	52,133	304,718
Accruals	-	60,633
	<u>1,378,050</u>	<u>570,447</u>

The parent company has undertaken to continue to provide such financial support as may be required by the company in order to meet its financial obligations as they fall due.

BOLSIUS (UK) LIMITED

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

10 Provisions for liabilities and charges

	£
<i>Restructuring provision</i>	
At 1 April 2000	263,717
Released during the year	(95,321)
	<hr/>
At 31 March 2001	168,396
	<hr/>

The company is contracted to the lease of two premises which it no longer occupies. These leases do not expire until June 2005 and August 2013 respectively and cannot be cancelled. One property was re-let from 1 September 2000 and a provision has been made for the rent payable less rent receivable from the re-let. Continued attempts to re-let the remaining property have proved unsuccessful. Following the introduction of FRS 12, the company provides for such onerous leases. In addition the company has also made provision in accordance with FRS12, for all other onerous contracts which have arisen as a result of the restructuring of its activities to the extent of the unavoidable costs of meeting the companies obligations.

11 Share capital

	Authorised		Allotted, called up and fully paid	
	2001	2000	2001	2000
	£	£	£	£
Ordinary shares of £1 each	2,000,000	2,000,000	1,250,000	1,250,000
	<hr/>	<hr/>	<hr/>	<hr/>

12 Reserves

	Capital contribution reserve	Profit and loss account	Total
	£	£	£
At 1 April 2000	4,883,915	(5,802,367)	(918,452)
Loss for the financial year	-	(14,880)	(14,880)
	<hr/>	<hr/>	<hr/>
At 31 March 2001	4,883,915	(5,817,247)	(933,332)
	<hr/>	<hr/>	<hr/>

BOLSIUS (UK) LIMITED

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

13 Movement in shareholders funds

	2001 £	2000 £
Loss for the year	(14,880)	(1,110,162)
Capital contribution made during the year	-	2,683,915
Capital contribution transferred to loan account	-	(1,050,000)
	<hr/>	<hr/>
Net addition to shareholder's funds	(14,880)	523,753
Opening shareholders' funds	331,548	(192,205)
	<hr/>	<hr/>
Closing shareholders' funds	316,668	331,548
	<hr/>	<hr/>

14 Pensions

The company operates a 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 during the period. At 31 March 2001 there were no outstanding contributions payable to the fund (2000 - £nil).

15 Commitments under operating leases

As at 31 March 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	2001 Land and buildings £	2001 Other £	2000 Land and buildings £	2000 Other £
Operating leases which expire:				
Within one year	-	4,620	-	-
After five years	14,750	-	42,100	-
	<hr/>	<hr/>	<hr/>	<hr/>
	14,750	4,620	42,100	-
	<hr/>	<hr/>	<hr/>	<hr/>

BOLSIUS (UK) LIMITEDNotes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)**16 Reconciliation of operating loss to net cash inflow from operating activities**

	2001 £	2000 £
Operating loss	(49,325)	(1,108,995)
Depreciation	-	110,076
Loss on sale of fixed assets	-	36,253
Decrease in stocks	-	969,642
(Increase)/decrease in debtors	(211,776)	886,814
Increase/(decrease) in creditors	787,140	(2,107,303)
(Decrease)/increase in provisions	(95,321)	263,717
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	430,718	(949,796)
	<hr/>	<hr/>

17 Reconciliation of net cash outflow to movement in net debt

	2001 £	2000 £
Decrease in cash in the year	(294,519)	(357,650)
Cash outflow from decrease in debt financing	-	1,050,000
	<hr/>	<hr/>
	(294,519)	692,350
Opening net debt	832,324	139,974
	<hr/>	<hr/>
Closing net debt	537,805	832,324
	<hr/>	<hr/>

18 Analysis of net debt

	At 1 April 2000 £	Cash flow £	At 31 March 2001 £
Cash at bank and in hand	832,324	(294,519)	537,805
	<hr/>	<hr/>	<hr/>

BOLSIUS (UK) LIMITED

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

19 Related party transactions

The following companies are subsidiaries of Bolsius Holding BV, the ultimate parent company, and the transactions with these companies during the period have therefore been treated as related party transactions:

Bolsius International BV
Bolsius Kaarsenfabriek BV
Bolsius Boxmeer BV
Kaarsenfabriek Kristen BV
Kaarsenfabriek Hoogeland BV
Bolsius Deutschland GmbH
Bolsius Danmark A/S
Bolsius Polska
SKF Gouda

During the period the following transactions occurred in the ordinary course of business, with the above related parties:-

	2001 £	2000 £
Turnover	-	241,187
Purchases	(938,963)	(1,043,935)
Overheads recharged	(249,247)	(11,984)
Management charges payable	(32,240)	(45,415)
Sale of fixed assets	-	244,887

20 Accounting Records

As a result of a reorganisation, the administrative affairs of Bolsius (UK) Limited were transferred to Bolsius Nederland BV from 1 August 2000 in order to reduce administrative overheads. As part of this reorganisation the company underwent a number of significant changes in its accounting systems and finance personnel. At the time of and subsequent to implementation of these changes appropriate procedures and controls were not put in place to ensure that proper accounting records were maintained. As a result some significant accounting records could not be located or recreated.

21 Ultimate parent undertaking

The company's parent undertaking is Bolsius International BV, a company incorporated in the Netherlands, which is the parent of both the smallest and largest groups of which the company is a member.

The controlling party of Bolsius International BV is Stichting Administratiekantoor Bolsius.