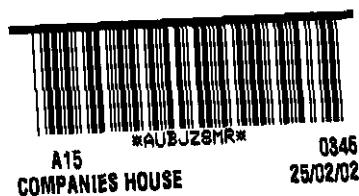


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SKAKO COMESSA LIMITED
FINANCIAL STATEMENTS
For the year ended
31 December 2001

Company Registration Number 2077748



HORWATH CLARK WHITEHILL
Chartered Accountants & Registered Auditors
North Lane House
9b North Lane
Headingley
Leeds
LS6 3HG

SKAKO COMESSA LIMITED

FINANCIAL STATEMENTS

Year ended 31 December 2001

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SKAKO COMESSA LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	R A Hill T N Hansen (Appointed 1 January 2002)
Company secretary	R A Hill
Registered office	Station Road Industrial Estate Tadcaster North Yorkshire LS24 9SG
Auditors	Horwath Clark Whitehill Chartered Accountants & Registered Auditors North Lane House 9b North Lane Headingley Leeds LS6 3HG
Bankers	Nordea Bank Finland Plc 19 Thomas More Street London E1W 1YF

SKAKO COMESSA LIMITED

DIRECTORS' REPORT

Year ended 31 December 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2001.

Principal activities and business review

The principal activity of the company during the year was the distribution of vibratory plant and equipment.

The company's balance sheet as detailed on page 9 shows a satisfactory position, shareholders' funds amounting to £284,629.

The directors are pleased to report a profitable year for the company, generally in line with budget expectations. The result was achieved in spite of depressed market requirements, especially in the second half of the year.

The year 2001 has seen dramatic downsizing amongst our competitors, reported losses and one going out of business. With this in mind, it was pleasing that we held our market share, maintained our organisational structure throughout the year, and reported a healthy profit.

There is a general expectancy within the industry, that the low activity levels seen in the second half of 2001 should slowly begin to improve throughout 2002. Therefore, our forecast for 2002 is very similar to the results of 2001.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The directors and their interests in shares of the company

The directors who served the company during the year were as follows:

F Madsen (resigned 31 January 2001)

R A Hill

N Duedahl (resigned 31 December 2001)

S E Kristensen (appointed 31 January 2001; resigned 31 December 2001)

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

T N Hansen was appointed as a director on 1 January 2002.

SKAKO COMESSA LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 31 December 2001

Auditors

A resolution to re-appoint Horwath Clark Whitehill as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors

R A Hill
Company Secretary

7 February 2002

SKAKO COMESSA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Year ended 31 December 2001

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 11 to 12, 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; and

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. The directors 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.

SKAKO COMESSA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Year ended 31 December 2001

We have audited the financial statements on pages 7 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 12.

Respective responsibilities of the directors and the auditors

As described on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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. 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.

SKAKO COMESSA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(CONTINUED)*

Year ended 31 December 2001

Opinion

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



North Lane House
9b North Lane
Headingley
Leeds
LS6 3HG

HORWATH CLARK WHITEHILL
Chartered Accountants
& Registered Auditors

7 February 2002

SKAKO COMESSA LIMITED**PROFIT AND LOSS ACCOUNT****Year ended 31 December 2001**

	Note	2001 £	2000 <i>restated</i> £
Turnover	2	845,451	914,805
Cost of sales		<u>635,509</u>	<u>658,908</u>
Gross profit		209,942	255,897
Distribution costs		96,042	117,941
Administrative expenses		<u>76,960</u>	<u>142,907</u>
Operating profit/(loss)	3	36,940	(4,951)
Interest receivable	6	11,013	11,119
Interest payable	7	(186)	-
Profit on ordinary activities before taxation		<u>47,767</u>	<u>6,168</u>
Tax on profit on ordinary activities	8	(14,522)	(1,814)
Retained profit for the financial year		<u>33,245</u>	<u>4,354</u>

All of the activities of the company are classed as continuing.

The notes on pages 11 to 21 form part of these financial statements.

SKAKO COMESSA LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 December 2001

	2001	2000 <i>restated</i>
	£	£
Profit for the financial year attributable to the shareholders	33,245	4,354
Total recognised gains and losses relating to the year	<u>33,245</u>	<u>4,354</u>
Prior year adjustment (see note 9)	2,646	-
Total gains and losses recognised since the last annual report	<u>35,891</u>	<u>4,354</u>

The notes on pages 11 to 21 form part of these financial statements.

SKAKO COMESSA LIMITED

BALANCE SHEET

31 December 2001

	Note	2001	2000 <i>restated</i>
		£	£
Fixed assets			
Tangible assets	10	22,557	23,912
Current assets			
Stocks	11	35,588	45,397
Debtors	12	275,519	369,732
Cash at bank and in hand		104,170	51,348
		<u>415,277</u>	<u>466,477</u>
Creditors: Amounts falling due within one year	14	<u>(153,205)</u>	<u>(239,005)</u>
Net current assets		<u>262,072</u>	<u>227,472</u>
Total assets less current liabilities		<u>284,629</u>	<u>251,384</u>
Capital and reserves			
Called-up equity share capital	17	15,000	15,000
Profit and Loss Account	18	269,629	236,384
Shareholders' funds	19	<u>284,629</u>	<u>251,384</u>

These financial statements were approved by the directors on 7 February 2002 and are signed on their behalf by:

R A Hill

T N Hansen

The notes on pages 11 to 21 form part of these financial statements.

SKAKO COMESSA LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2001

	Note	2001	2000 <i>restated</i>
		£	£
Net cash inflow/(outflow) from operating activities	20	58,512	(68,715)
Returns on investments and servicing of finance			
Interest received		11,013	11,119
Interest paid		(186)	-
Net cash inflow from returns on investments and servicing of finance		10,827	11,119
Taxation		(4,197)	(9,778)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(15,620)	-
Receipts from sale of fixed assets		3,300	-
Loans to group undertakings		-	(100,000)
Net cash outflow for capital expenditure and financial investment		(12,320)	(100,000)
Increase/(decrease) in cash	21	52,822	(167,374)

The notes on pages 11 to 21 form part of these financial statements.

SKAKO COMESSA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2001

1. Accounting policies

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 10% straight line
Computer equipment	- 20% straight line
Motor vehicles	- 1/3 straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

SKAKO COMESSA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2001

1. Accounting policies *(continued)*

Deferred taxation

In line with the policy of its parent group, the company has in 2001 for the first time adopted the policy on deferred taxation laid down by International Accounting Standard 12 (Revised). Deferred taxation is therefore provided on the liability method in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are only recognised to the extent that it is probable that sufficient taxable profit will be available to enable the asset to be recovered in full.

The company's policy previously was to provide deferred tax in respect of the taxation effect of all timing differences to the extent that tax liabilities were likely to crystallise in the foreseeable future and not to provide for deferred tax assets unless their recovery was assured beyond reasonable doubt.

The corresponding figures for the year ended 31 December 2000 have been revised to reflect the change of accounting policy, resulting in an increase in the reported profit after taxation, and distributable reserves, of £2,646. The effect of the change in policy on the result for the year ended 31 December 2001 has been to increase the profit after tax by £652 and to increase distributable reserves by £3,298 compared to what they would have been under the previous policy.

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 account in arriving at the operating profit.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2001 £	2000 <i>restated</i> £
United Kingdom	823,431	895,157
Other E.U. Countries	11,588	18,832
Africa and Asia	10,432	-
U.S.A.	-	816
	<u>845,451</u>	<u>914,805</u>

SKAKO COMESSA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2001

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2001	2000 <i>restated</i>
	£	£
Depreciation	16,975	24,076
Profit on disposal of fixed assets	(3,300)	-
Auditors' remuneration		
- as auditors	3,000	3,000
- for other services	1,501	2,814
Operating lease costs:		
Land and buildings	6,000	6,000
Exceptional bad debts	-	56,066
	<u> </u>	<u> </u>

Auditors' fees

The fees charged by the auditors can be further analysed under the following headings for services rendered:

	2001	2000 <i>restated</i>
	£	£
Audit	3,000	3,000
Accountancy	1,167	2,472
Payroll	334	342
	<u>4,501</u>	<u>5,814</u>

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2001	2000 <i>restated</i>
	No.	No.
Administration	2	2
Selling and distribution	1	2
Servicing	1	1
	<u>4</u>	<u>5</u>

SKAKO COMESSA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2001

4. Particulars of employees (continued)

The aggregate payroll costs of the above were:

	2001	2000 <i>restated</i>
	£	£
Wages and salaries	97,948	109,566
Social security costs	12,051	11,806
Other pension costs	4,520	3,890
	<u>114,519</u>	<u>125,262</u>

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2001	2000 <i>restated</i>
	£	£
Emoluments receivable	47,194	45,929
Value of company pension contributions to money purchase schemes	3,056	2,638
	<u>50,250</u>	<u>48,567</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2001	2000 <i>restated</i>
	No.	No.
Money purchase schemes	<u>1</u>	<u>1</u>

Money purchase pension scheme

The company operates a money purchase 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 amount to £4,520 (2000: £3,890).

SKAKO COMESSA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2001

6. Interest receivable

	2001	2000 <i>restated</i>
	£	£
Bank interest receivable	4,370	5,310
Other loan interest receivable	6,482	5,772
Other interest	161	37
	<u>11,013</u>	<u>11,119</u>

7. Interest payable

	2001	2000 <i>restated</i>
	£	£
Other similar charges payable	186	-
	<u>186</u>	<u>-</u>

SKAKO COMESSA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2001

8. Tax on profit on ordinary activities

	2001 £	2000 <i>restated</i> £
In respect of the year:		
Corporation Tax based on the results for the year at 30% (2000 - 29.40%)	15,116	6,499
Decrease in deferred tax provision (Note 13): Capital allowances	<u>(652)</u>	<u>(4,640)</u>
	14,464	1,859
Adjustment in respect of previous years:		
Corporation Tax	<u>58</u>	<u>(45)</u>
	14,522	1,814

Reconciliation between taxation calculated at the standard rate of corporation tax on profit before taxation and the tax charge in the financial statements:

	2001 £	2000 <i>restated</i> £
Corporation tax on profit before tax at 30% (2000: 30.25%)	14,330	1,850
Taxation effect of disallowed expenditure	134	150
Marginal rate relief	-	(141)
Prior year under/(over) provision	<u>58</u>	<u>(45)</u>
Tax charge	14,522	1,814

9. Prior year adjustment

The prior year adjustment represents a deferred tax asset at 31 December 2000 which has been recognised following the adoption of International Accounting Standard number 12 (Revised).

SKAKO COMESSA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2001

10. Tangible fixed assets

	Plant and machinery £	Computers £	Motor vehicles £	Total £
Cost				
At 1 January 2001	9,490	3,406	49,804	62,700
Additions	-	-	15,620	15,620
Disposals	-	-	(13,895)	(13,895)
At 31 December 2001	<u>9,490</u>	<u>3,406</u>	<u>51,529</u>	<u>64,425</u>
Depreciation				
At 1 January 2001	6,306	2,674	29,808	38,788
Charge for the year	669	477	15,829	16,975
On disposals	-	-	(13,895)	(13,895)
At 31 December 2001	<u>6,975</u>	<u>3,151</u>	<u>31,742</u>	<u>41,868</u>
Net book value				
At 31 December 2001	<u>2,515</u>	<u>255</u>	<u>19,787</u>	<u>22,557</u>
At 31 December 2000	<u>3,184</u>	<u>732</u>	<u>19,996</u>	<u>23,912</u>

11. Stocks

	2001 £	2000 <i>restated</i> £
Stock	<u>35,588</u>	<u>45,397</u>

12. Debtors

	2001 £	2000 <i>restated</i> £
Trade debtors	166,353	253,306
Amounts owed by group undertakings	103,105	111,346
Other debtors	100	100
Deferred tax (Note 13)	3,298	2,646
Prepayments and accrued income	2,663	2,334
	<u>275,519</u>	<u>369,732</u>

SKAKO COMESSA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2001

13. Deferred taxation

	2001	2000 <i>restated</i>
	£	£
The movement in the deferred taxation account during the year was:		
Deferred tax asset (provision) brought forward	2,646	(1,994)
Increase in asset	652	4,640
Deferred tax asset carried forward	<u>3,298</u>	<u>2,646</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2001	2000 <i>restated</i>
	£	£
Excess of depreciation on fixed assets over taxation allowances	<u>3,298</u>	<u>2,646</u>

There were no amounts of unprovided deferred tax at either 31 December 2001 and 31 December 2000.

14. Creditors: Amounts falling due within one year

	2001	2000 <i>restated</i>
	£	£
Payments received on account	-	29,780
Trade creditors	4,018	7,013
Amounts owed to group undertakings	100,992	166,822
Corporation Tax	15,116	4,139
PAYE and social security	2,905	2,937
VAT	23,023	22,663
Accruals and deferred income	7,151	5,651
	<u>153,205</u>	<u>239,005</u>

15. Ultimate parent undertaking

The company's ultimate holding company is V.T. Holding A/S, a company incorporated in Denmark.

SKAKO COMESSA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2001

16. Related parties

Ultimate controlling party

The directors are unable to state the identity of the company's ultimate controlling party, if any.

Related party transactions

The company has not disclosed details of transactions with other group companies as it has taken advantage of the exemption from doing so available in Financial Reporting Standard number 8 by virtue of its status as a wholly-owned subsidiary of Skako Comessa A/S, which prepares publicly available consolidated accounts including the results of the company.

Copies of the consolidated accounts may be obtained from Skako Comessa A/S, DK5600, Faaborg, Denmark.

17. Share capital

Authorised share capital:

	2001	2000 <i>restated</i>
	£	£
15,000 Ordinary shares of £1.00 each	<u>15,000</u>	<u>15,000</u>
Allotted, called up and fully paid:		
	2001	2000 <i>restated</i>
	£	£
Ordinary share capital	<u>15,000</u>	<u>15,000</u>

18. Profit and loss account

	2001	2000 <i>restated</i>
	£	£
Original balance brought forward	233,738	232,030
Prior year adjustment (note 9)	<u>2,646</u>	-
Restated balance brought forward	236,384	232,030
Retained profit for the financial year	<u>33,245</u>	<u>4,354</u>
Balance carried forward	<u>269,629</u>	<u>236,384</u>

SKAKO COMESSA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2001

19. Reconciliation of movements in shareholders' funds

	2001		2000 <i>restated</i>	
	£	£	£	£
Profit for the financial year		33,245		4,354
Opening shareholders' equity funds	248,738		247,030	
Prior year adjustment (see note 9)	<u>2,646</u>		<u>-</u>	
		251,384		247,030
Closing shareholders' equity funds		<u>284,629</u>		<u>251,384</u>

**20. Reconciliation of operating profit/(loss) to
Net cash inflow/(outflow) from operating activities**

	2001	2000 <i>restated</i>
	£	£
Operating profit/(loss)	36,940	(4,951)
Depreciation	16,975	24,076
Profit on disposal of fixed assets	(3,300)	-
Decrease in stocks	9,809	3,154
Decrease in debtors	94,865	171,934
Decrease in creditors	(96,777)	(262,928)
Net cash inflow/(outflow) from operating activities	<u>58,512</u>	<u>(68,715)</u>

21. Reconciliation of net cash flow to movement in net funds

	2001	2000
	£	£
Increase/(Decrease) in cash in the period	<u>52,822</u>	(167,374)
Movement in net funds in the period	<u>52,822</u>	(167,374)
Net funds at 1 January 2001	51,348	218,724
Net funds at 31 December 2001	<u>104,170</u>	<u>51,348</u>

SKAKO COMESSA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2001

22. Analysis of changes in net funds

	At 1 Jan 2001 £	Cash flows £	At 31 Dec 2001 £
Net cash:			
Cash in hand and at bank	<u>51,348</u>	<u>52,822</u>	<u>104,170</u>
Net funds	<u>51,348</u>	<u>52,822</u>	<u>104,170</u>