

COMPANY REGISTRATION NUMBER 2474481

**REGISTRAR OF
COMPANIES**

COHLINE (UK) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST DECEMBER 2000



BURGESS HODGSON
Chartered Accountants & Registered Auditors
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

COHLINE (UK) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

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COHLINE (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The director	C C Surgeon
Company secretary	U G Cohnen - Andres
Registered office	Camburgh House, 27, New Dover Road, Canterbury, Kent. CT1 3DN
Auditors	Burgess Hodgson Chartered Accountants & Registered Auditors Camburgh House 27 New Dover Road Canterbury Kent CT1 3DN

COHLINE (UK) LIMITED**AUDITORS' REPORT TO THE COMPANY****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 5 to 14, together with the financial statements of the company for the year ended 31st December 2000 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

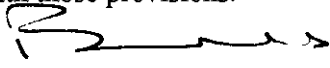
The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.


BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 14 are properly prepared in accordance with those provisions.


Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN


BURGESS HODGSON
Chartered Accountants
& Registered Auditors

7 June 2001

COHLINE (UK) LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31ST DECEMBER 2000

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31st December 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the manufacture and sale of automotive parts.

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders funds amounting to £2,708,000.

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 director has not recommended a dividend.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests, including family holdings, in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 December 2000	At 1 January 2000
C C Surgeon	—	—

EURO COMPLIANCE

The company has opened a Euro bank account and this will operate in the same manner as other currencies the company trades in.

FIXED ASSETS

Changes in fixed assets during the year are set out in note 8 to the accounts.

FUTURE DEVELOPMENTS

Work is continuing on the development and modification of existing products to meet customer requirements and, through a continuing programme of development, to take advantage of new technology as soon as it becomes available.

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

In preparing those financial statements, the director is required to select suitable accounting policies, as described on pages 9 to 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

COHLINE (UK) LIMITED**THE DIRECTOR'S REPORT** *(continued)***YEAR ENDED 31ST DECEMBER 2000****DIRECTOR'S RESPONSIBILITIES** *(continued)*


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 him to ensure that the financial statements comply with the Companies Act 1985. The director 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.

AUDITORS

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

Registered office:
Camburgh House,
27, New Dover Road,
Canterbury,
Kent.
CT1 3DN

Signed by order of the director


U G COHNEN - ANDRES
Company Secretary

Approved by the director on 7/6/01

COHLINE (UK) LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 2000

	Note	2000 £	1999 £
GROSS PROFIT		2,020,761	1,533,429
Administrative expenses		1,184,292	1,010,023
OPERATING PROFIT	2	836,469	523,406
Interest receivable		32,036	9,946
Interest payable	5	(984)	(786)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		867,521	532,566
Tax on profit on ordinary activities	6	(276,629)	(174,247)
RETAINED PROFIT FOR THE FINANCIAL YEAR		590,892	358,319
Balance brought forward		2,017,108	1,658,789
Balance carried forward		2,608,000	2,017,108

The company has no recognised gains or losses other than the results for the year as set out above.

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

COHLINE (UK) LIMITED
ABBREVIATED BALANCE SHEET
31ST DECEMBER 2000

	Note	2000	1999
		£	£
FIXED ASSETS			
Tangible assets	7	736,883	694,616
CURRENT ASSETS			
Stocks	8	630,052	398,592
Debtors	9	352,054	398,246
Cash at bank and in hand		1,675,926	1,170,846
		<u>2,658,032</u>	<u>1,967,684</u>
CREDITORS: Amounts falling due within one year	10	<u>(565,539)</u>	<u>(438,673)</u>
NET CURRENT ASSETS		2,092,493	1,529,011
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,829,376</u>	<u>2,223,627</u>
CREDITORS: Amounts falling due after more than one year	11	<u>(2,406)</u>	<u>(4,331)</u>
		2,826,970	2,219,296
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	<u>(118,970)</u>	<u>(102,188)</u>
		<u>2,708,000</u>	<u>2,117,108</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	100,000	100,000
Profit and Loss Account		2,608,000	2,017,108
SHAREHOLDERS' FUNDS	17	<u>2,708,000</u>	<u>2,117,108</u>

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on 7/6/01



C C SURGEON

COHLINE (UK) LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31ST DECEMBER 2000**

	2000	1999
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	758,283	885,971
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	32,036	9,946
Interest paid	(199)	-
Interest element of finance lease	(785)	(786)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	31,052	9,160
TAXATION	(124,347)	(55,196)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(168,176)	(216,503)
Receipts from sale of fixed assets	10,193	11,540
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(157,983)	(204,963)
CASH INFLOW BEFORE FINANCING	507,005	634,972
FINANCING		
Capital element of finance lease	(1,925)	(1,925)
NET CASH OUTFLOW FROM FINANCING	(1,925)	(1,925)
INCREASE IN CASH	505,080	633,047

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000	1999
	£	£
Operating profit	836,469	523,406
Depreciation	115,895	98,663
(Profit)/Loss on disposal of fixed assets	(179)	5,514
(Increase)/Decrease in stocks	(231,460)	199,673
Decrease/(Increase) in debtors	46,192	(84,637)
(Decrease)/Increase in creditors	(8,634)	143,352
Net cash inflow from operating activities	758,283	885,971

COHLINE (UK) LIMITED**CASH FLOW STATEMENT** *(continued)***YEAR ENDED 31ST DECEMBER 2000****RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2000	1999
	£	£
Increase in cash in the period	505,080	633,047
Net cash outflow in respect of finance lease	<u>1,925</u>	<u>1,925</u>
	507,005	634,972
Change in net funds	<u>507,005</u>	<u>634,972</u>
Net funds at 1st January 2000	<u>1,164,590</u>	<u>529,618</u>
Net funds at 31st December 2000	<u><u>1,671,595</u></u>	<u><u>1,164,590</u></u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2000	Cash flows	At 31 Dec 2000
	£	£	£
Net cash:			
Cash in hand and at bank	<u>1,170,846</u>	<u>505,080</u>	<u>1,675,926</u>
Finance leases	<u>(6,256)</u>	<u>1,925</u>	<u>(4,331)</u>
Net funds	<u><u>1,164,590</u></u>	<u><u>507,005</u></u>	<u><u>1,671,595</u></u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2000****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 & Machinery	- 10% Straight line
Fixtures & Fittings	- 10% Straight line
Motor Vehicles	- 25% Reducing balance

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2000****1. ACCOUNTING POLICIES** *(continued)***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. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2000	1999
	£	£
Depreciation	115,895	98,663
Loss on disposal of fixed assets	-	5,514
Profit on disposal of fixed assets	(179)	-
Auditors' remuneration		
- as auditors	7,000	6,500
- accountancy	12,678	12,344
Net loss on foreign currency translation	<u>177,948</u>	<u>238,667</u>

3. PARTICULARS OF EMPLOYEES

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

	2000	1999
	No.	No.
Number of production staff	83	58
Number of administrative staff	15	13
	<u>98</u>	<u>71</u>

The aggregate payroll costs of the above were:

	2000	1999
	£	£
Wages and salaries	1,356,413	1,009,187
Social security costs	15,665	13,275
	<u>1,372,078</u>	<u>1,022,462</u>

4. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	2000	1999
	£	£
Emoluments receivable	<u>42,158</u>	<u>38,533</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2000****5. INTEREST PAYABLE**

	2000 £	1999 £
Interest payable on bank borrowing	199	-
Finance charges	785	786
	<u>984</u>	<u>786</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
In respect of the year:		
Corporation Tax based on the results for the year at 29% (1999 - 25%)	257,500	122,000
Increase in deferred tax provision (Note 12):		
Capital allowances	16,782	51,551
	<u>274,282</u>	<u>173,551</u>
Adjustment in respect of previous years:		
Corporation Tax	2,347	696
	<u>276,629</u>	<u>174,247</u>

7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1st January 2000	824,362	176,013	3,681	1,004,056
Additions	152,180	15,996	-	168,176
Disposals	(12,518)	-	-	(12,518)
At 31st December 2000	<u>964,024</u>	<u>192,009</u>	<u>3,681</u>	<u>1,159,714</u>
DEPRECIATION				
At 1st January 2000	243,943	62,980	2,517	309,440
Charge for the year	96,403	19,201	291	115,895
On disposals	(2,504)	-	-	(2,504)
At 31st December 2000	<u>337,842</u>	<u>82,181</u>	<u>2,808</u>	<u>422,831</u>
NET BOOK VALUE				
At 31st December 2000	<u>626,182</u>	<u>109,828</u>	<u>873</u>	<u>736,883</u>
At 31st December 1999	<u>580,419</u>	<u>113,033</u>	<u>1,164</u>	<u>694,616</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2000****7. TANGIBLE FIXED ASSETS** *(continued)***Finance lease agreements**

Included within the net book value of £736,883 is £6,930 (1999 - £7,796) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £866 (1999 - £866).

8. STOCKS

	2000	1999
	£	£
Raw Materials	375,185	288,678
Work in progress	254,867	109,914
	<u>630,052</u>	<u>398,592</u>

9. DEBTORS

	2000	1999
	£	£
Trade debtors	324,426	375,296
VAT recoverable	26,191	20,903
Other debtors	947	947
Prepayments and accrued income	490	1,100
	<u>352,054</u>	<u>398,246</u>

10. CREDITORS: Amounts falling due within one year

	2000	1999
	£	£
Trade creditors	249,940	261,784
Finance leases	1,925	1,925
Other creditors including taxation		
Corporation Tax	257,500	122,000
PAYE and social security	<u>32,271</u>	<u>32,849</u>
	289,771	154,849
Accruals and deferred income	23,903	20,115
	<u>565,539</u>	<u>438,673</u>

11. CREDITORS: Amounts falling due after more than one year

	2000	1999
	£	£
Finance leases	2,406	4,331
	<u> </u>	<u> </u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2000****12. DEFERRED TAXATION**

	2000 £	1999 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	102,188	50,637
Decrease in provision	16,782	51,551
Provision carried forward	<u>118,970</u>	<u>102,188</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2000 £	1999 £
Excess of taxation allowances over depreciation on fixed assets	<u>118,970</u>	<u>102,188</u>

13. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	2000 £	1999 £
Amounts payable within 1 year	1,925	1,925
Amounts payable between 2 to 5 years	2,406	4,331
	<u>4,331</u>	<u>6,256</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2000 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings 2000 £	1999 £
Operating leases which expire:		
Within 1 year	387	295
Within 2 to 5 years	312	1,032
After more than 5 years	3,068	3,068
	<u>3,767</u>	<u>4,395</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2000****15. RELATED PARTY TRANSACTIONS**

The company is controlled by Cohnen Gesellschaft Buergerlichen Rechts, a partnership registered in Germany. The partners are Hans-Joachim Cohnen, Utta Gabriele Cohnen-Andres and Claudia Kathrin Cohnen-Lumbeck.

During the year the company entered into the following contracts with companies and partnerships in which Hans-Joachim Cohnen and Utta Gabriele Cohnen-Andres, shareholders of the company, have an interest :-

	2000 £	1999 £
Cohline GmbH Montabaur		
Sales to Cohline Montabaur	432,267	562,371
Purchases from Cohline Montabaur	89,940	35,962
Debtor at year end	15,828	36,810
Creditor at year end	3,732	380
	<hr/>	<hr/>
Cohline GmbH Dillenburg	£	£
Sales to Cohline Dillenburg	6,996,450	5,107,530
Purchases from Cohline Dillenburg	205,167	188,747
Purchase of fixed assets	47,782	-
Sale of fixed assets	10,193	-
Debtor at year end	293,478	346,832
Creditor at year end	12,519	3,569
	<hr/>	<hr/>
Cohnen Gesellschaft Buergerlichen Rechts	£	£
Rent charged for the year	120,000	120,000
	<hr/>	<hr/>

16. SHARE CAPITAL**Authorised share capital:**

	2000 £	1999 £
100,000 Ordinary shares of £1.00 each	100,000	100,000
	<hr/>	<hr/>

Allotted, called up and fully paid:

	2000 £	1999 £
Ordinary share capital	100,000	100,000
	<hr/>	<hr/>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	590,892	358,319
Opening shareholders' equity funds	2,117,108	1,758,789
Closing shareholders' equity funds	2,708,000	2,117,108
	<hr/>	<hr/>