

COMPANY REGISTRATION NUMBER 2474481

**REGISTRAR OF
COMPANIES**

**COHLINE (UK) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST DECEMBER 1999**

**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 1999

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COHLINE (UK) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1999

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 16, together with the financial statements of the company for the year ended 31st December 1999 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

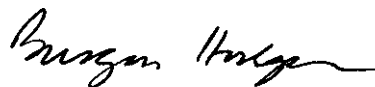
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 16 are properly prepared in accordance with those provisions.

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

21 May 2000


BURGESS HODGSON
Chartered Accountants
& Registered Auditors

COHLINE (UK) LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31ST DECEMBER 1999

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31st December 1999.

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 £2,117,108.

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 1999	At 1 January 1999
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 7 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 1999

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 25.05.2000

COHLINE (UK) LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 1999

	Note	1999 £	1998 £
GROSS PROFIT		1,533,429	939,320
Administrative expenses		(1,010,023)	(700,981)
OPERATING PROFIT	2	<u>523,406</u>	<u>238,339</u>
Interest receivable		9,946	7,790
Interest payable	5	(786)	(589)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>532,566</u>	<u>245,540</u>
Tax on profit on ordinary activities	6	(174,247)	(55,874)
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>358,319</u>	<u>189,666</u>
Balance brought forward		1,658,789	1,469,123
Balance carried forward		<u>2,017,108</u>	<u>1,658,789</u>

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 1999

	Note	1999	1998
		£	£
FIXED ASSETS			
Tangible assets	7	694,616	593,830
CURRENT ASSETS			
Stocks	8	398,592	598,265
Debtors	9	398,246	313,609
Cash at bank and in hand		1,170,846	537,799
		<u>1,967,684</u>	<u>1,449,673</u>
CREDITORS: Amounts falling due within one year	10	<u>(438,673)</u>	<u>(227,821)</u>
NET CURRENT ASSETS		1,529,011	1,221,852
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,223,627</u>	<u>1,815,682</u>
CREDITORS: Amounts falling due after more than one year	11	(4,331)	(6,256)
		<u>2,219,296</u>	<u>1,809,426</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	(102,188)	(50,637)
		<u>2,117,108</u>	<u>1,758,789</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	100,000	100,000
Profit and loss account		<u>2,017,108</u>	<u>1,658,789</u>
SHAREHOLDERS' FUNDS	17	<u>2,117,108</u>	<u>1,758,789</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 22nd May 2000



 C C SURGEON

COHLINE (UK) LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31ST DECEMBER 1999

	1999		1998	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		885,971		29,911
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	9,946		7,790	
Interest element of finance lease rental payments	(786)		(589)	
	—		—	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		9,160		7,201
TAXATION		(55,196)		(33,533)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(216,503)		(109,538)	
Receipts from sale of fixed assets	11,540		8,750	
	—		—	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(204,963)		(100,788)
		—		—
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		634,972		(97,209)
FINANCING				
Capital element of finance lease rental payments	(1,925)		8,181	
	—		—	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(1,925)		8,181
		—		—
INCREASE/(DECREASE) IN CASH		633,047		(89,028)

COHLINE (UK) LIMITED**CASH FLOW STATEMENT** *(continued)***YEAR ENDED 31ST DECEMBER 1999****RECONCILIATION OF OPERATING PROFIT TO
NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1999	1998
	£	£
Operating profit	523,406	238,339
Depreciation	98,663	84,213
Loss on disposal of fixed assets	5,514	8,278
Decrease/(Increase) in stocks	199,673	(31,832)
Increase in debtors	(84,637)	(112,033)
Increase/(Decrease) in creditors	143,352	(157,054)
Net cash inflow from operating activities	885,971	29,911

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	1999	1998
	£	£
Increase/(Decrease) in cash in the period	633,047	(89,028)
Net cash outflow/(inflow) in respect of finance leases	1,925	(8,181)
	634,972	(97,209)
Change in net funds	634,972	(97,209)
Net funds at 1st January 1999	529,618	626,827
Net funds at 31st December 1999	1,164,590	529,618

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 1999	Cash flows	At 31 Dec 1999
	£	£	£
Net cash:			
Cash in hand and at bank	537,799	633,047	1,170,846
Debt:			
Finance leases	(8,181)	1,925	(6,256)
Net funds	529,618	634,972	1,164,590

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1999****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.

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1999****1. ACCOUNTING POLICIES** *(continued)***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.

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):

	1999	1998
	£	£
Depreciation	98,663	84,213
Loss on disposal of fixed assets	5,514	8,278
Auditors' remuneration		
- as auditors	6,500	4,750
- accountancy	12,344	8,278
Net loss/(profit) on foreign currency translation	238,667	(71,654)

3. PARTICULARS OF EMPLOYEES

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

	1999	1998
	No.	No.
Number of production staff	58	51
Number of administrative staff	13	12
	<u>71</u>	<u>63</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1999****3. PARTICULARS OF EMPLOYEES** *(continued)*

The aggregate payroll costs of the above were:

	1999	1998
	£	£
Wages and salaries	1,009,187	929,442
Social security costs	13,275	16,056
	<u>1,022,462</u>	<u>945,498</u>

4. DIRECTOR'S EMOLUMENTS

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

	1999	1998
	£	£
Emoluments receivable	<u>38,533</u>	<u>67,495</u>

5. INTEREST PAYABLE

	1999	1998
	£	£
Finance charges	<u>786</u>	<u>589</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999	1998
	£	£
In respect of the year:		
Corporation tax based on the results for the year at 25% (1998 - 21%)	122,000	54,500
Increase in deferred tax provision (Note 12):		
Capital allowances	<u>51,551</u>	<u>5,591</u>
	173,551	60,091
Adjustment in respect of previous years:		
Corporation tax	<u>696</u>	<u>(4,217)</u>
	<u>174,247</u>	<u>55,874</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1999****7. TANGIBLE FIXED ASSETS**

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1st January 1999	711,356	111,289	13,849	836,494
Additions	151,779	64,724	-	216,503
Disposals	(38,773)	-	(10,168)	(48,941)
At 31st December 1999	<u>824,362</u>	<u>176,013</u>	<u>3,681</u>	<u>1,004,056</u>
DEPRECIATION				
At 1st January 1999	187,776	46,881	8,007	242,664
Charge for the year	82,176	16,099	388	98,663
On disposals	(26,009)	-	(5,878)	(31,887)
At 31st December 1999	<u>243,943</u>	<u>62,980</u>	<u>2,517</u>	<u>309,440</u>
NET BOOK VALUE				
At 31st December 1999	<u>580,419</u>	<u>113,033</u>	<u>1,164</u>	<u>694,616</u>
At 31st December 1998	<u>523,580</u>	<u>64,408</u>	<u>5,842</u>	<u>593,830</u>

Finance lease agreements

Included within the net book value of £694,616 is £7,796 (1998 - £8,662) 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 (1998 - £963).

8. STOCKS

	1999 £	1998 £
Raw Materials	288,678	457,378
Work in progrss	109,914	140,887
	<u>398,592</u>	<u>598,265</u>

9. DEBTORS

	1999 £	1998 £
Trade debtors	375,296	291,888
VAT recoverable	20,903	16,541
Other debtors	947	497
Prepayments and accrued income	1,100	4,683
	<u>398,246</u>	<u>313,609</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1999****10. CREDITORS: Amounts falling due within one year**

	1999	1998
	£	£
Trade creditors	261,784	136,061
Other creditors including taxation and social security:		
Corporation tax	122,000	54,500
PAYE and social security	32,849	23,085
Finance leases	1,925	1,925
	<u>156,774</u>	<u>79,510</u>
Accruals and deferred income	20,115	12,250
	<u>438,673</u>	<u>227,821</u>

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

	1999	1998
	£	£
Other creditors:		
Finance leases	<u>4,331</u>	<u>6,256</u>

12. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	1999	1998
	£	£
Provision brought forward	50,637	45,046
Increase in provision	51,551	5,591
Provision carried forward	<u>102,188</u>	<u>50,637</u>

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

	1999	1998
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>102,188</u>	<u>50,637</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1999****13. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS**

Future commitments under finance lease agreements are as follows:

	1999	1998
	£	£
Amounts payable within 1 year	1,925	1,925
Amounts payable between 2 to 5 years	4,331	6,256
	<u>6,256</u>	<u>8,181</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 31st December 1999 the company had annual commitments under non-cancellable operating leases as set out below.

	1999	Assets Other Than Land & Buildings 1998
	£	£
Operating leases which expire:		
Within 1 year	295	302
Within 2 to 5 years	1,032	1,067
After more than 5 years	3,068	3,068
	<u>4,395</u>	<u>4,437</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1999****15. RELATED PARTY TRANSACTIONS**

The company is controlled by Cohnen Gesellschaft Buergerlichen Rechts, a partnership registered in Germany. The partners are Hans-Joachim Cohnen, Uta 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 Uta Gabriele Cohnen-Andres, shareholders of the company, have interests :-

	1999 £	1998 £
Cohline GmbH Montabaur		
Sales to Cohline Montabaur	562,371	496,145
Purchases from Cohline Montabaur	35,962	47,671
Debtor at year end	36,810	51,004
Creditor at year end	380	6,754
	<u> </u>	<u> </u>
Cohline GmbH Dillenburg	£	£
Sales to Cohline Dillenburg	5,107,530	3,267,477
Purchases from Cohline Dillenburg	188,747	206,056
Purchase of fixed assets	-	7,633
Sale of fixed assets	-	8,750
Debtor at year end	346,832	196,818
Creditor at year end	3,569	13,588
	<u> </u>	<u> </u>
Cohnen Gesellschaft Buergerlichen Rechts	£	£
Purchase of fixed assets	-	7,633
Rent charged for the year	120,000	120,000
	<u> </u>	<u> </u>

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

	1999 £	1998 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	1999 £	1998 £
Ordinary share capital	<u>100,000</u>	<u>100,000</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1999****17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1999	1998
	£	£
Profit for the financial year	358,319	189,666
Opening shareholders' equity funds	1,758,789	1,569,123
Closing shareholders' equity funds	<u>2,117,108</u>	<u>1,758,789</u>