

**REGISTRAR OF
COMPANIES**

COHLINE (UK) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST DECEMBER 2001



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

1947-1948
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COHLINE (UK) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

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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**THE DIRECTOR'S REPORT****YEAR ENDED 31ST DECEMBER 2001**

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31st December 2001.

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 £2,679,378.

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 recommended the following dividends:

	2001 £	2000 £
Dividends paid on ordinary shares	<u>933,027</u>	<u>-</u>

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 2001	At 1 January 2001
C C Surgeon	<u>-</u>	<u>-</u>

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.

COHLINE (UK) LIMITED**THE DIRECTOR'S REPORT** *(continued)***YEAR ENDED 31ST DECEMBER 2001****DIRECTOR'S RESPONSIBILITIES** *(continued)*

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.

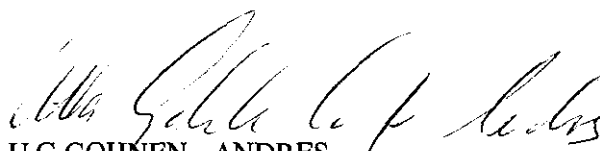
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is also responsible for safeguarding the 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 

COHLINE (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 15, together with the financial statements of the company for the year ended 31st December 2001 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

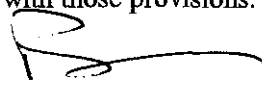
The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the 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 15 are properly prepared in accordance with those provisions.



Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN



BURGESS HODGSON
Chartered Accountants
& Registered Auditors

14 June 2002

COHLINE (UK) LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 2001

	Note	2001 £	2000 £
GROSS PROFIT		2,328,591	2,020,761
Administrative expenses		1,097,469	1,184,292
OPERATING PROFIT	2	1,231,122	836,469
Interest receivable		49,752	32,036
Interest payable and similar charges	5	(1,211)	(984)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,279,663	867,521
Tax on profit on ordinary activities	6	(375,258)	(276,629)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		904,405	590,892
Dividends	7	933,027	-
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(28,622)	590,892
Balance brought forward		2,608,000	2,017,108
Balance carried forward		<u>2,579,378</u>	<u>2,608,000</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 2001**

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	8	746,714	736,883
CURRENT ASSETS			
Stocks	9	554,019	630,052
Debtors	10	522,231	352,054
Cash at bank and in hand		1,572,221	1,675,926
		<u>2,648,471</u>	<u>2,658,032</u>
CREDITORS: Amounts falling due within one year	11	<u>(602,344)</u>	<u>(565,539)</u>
NET CURRENT ASSETS		<u>2,046,127</u>	<u>2,092,493</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,792,841</u>	<u>2,829,376</u>
CREDITORS: Amounts falling due after more than one year	12	<u>(5,408)</u>	<u>(2,406)</u>
		<u>2,787,433</u>	<u>2,826,970</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	<u>(108,055)</u>	<u>(118,970)</u>
		<u>2,679,378</u>	<u>2,708,000</u>
CAPITAL AND RESERVES			
Called-up equity share capital	17	100,000	100,000
Profit and Loss Account		<u>2,579,378</u>	<u>2,608,000</u>
SHAREHOLDERS' FUNDS	18	<u>2,679,378</u>	<u>2,708,000</u>

These financial statements 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 10/6/2002.



.....
C C SURGEON

COHLINE (UK) LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31ST DECEMBER 2001**

	2001	2000
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,180,178	758,283
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	49,752	32,036
Interest paid	(393)	(199)
Interest element of finance lease	(818)	(785)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	48,541	31,052
TAXATION	(257,000)	(124,347)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(161,592)	(168,176)
Receipts from sale of fixed assets	15,145	10,193
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(146,447)	(157,983)
EQUITY DIVIDENDS PAID	(933,027)	-
CASH (OUTFLOW)/INFLOW BEFORE FINANCING	(107,755)	507,005
FINANCING		
Capital element of finance lease	4,050	(1,925)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	4,050	(1,925)
(DECREASE)/INCREASE IN CASH	<u>(103,705)</u>	<u>505,080</u>

COHLINE (UK) LIMITED**CASH FLOW STATEMENT** *(continued)***YEAR ENDED 31ST DECEMBER 2001****RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2001 £	2000 £
Operating profit	1,231,122	836,469
Depreciation	124,772	115,895
Loss/(Profit) on disposal of fixed assets	11,844	(179)
Decrease/(Increase) in stocks	76,033	(231,460)
(Increase)/Decrease in debtors	(170,177)	46,192
Decrease in creditors	(93,416)	(8,634)
Net cash inflow from operating activities	<u>1,180,178</u>	<u>758,283</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2001 £	2000 £
(Decrease)/Increase in cash in the period	(103,705)	505,080
Cash outflow in respect of finance lease	<u>(4,050)</u>	<u>1,925</u>
	(107,755)	507,005
Change in net funds	(107,755)	507,005
Net funds at 1st January 2001	1,671,595	1,164,590
Net funds at 31st December 2001	<u>1,563,840</u>	<u>1,671,595</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2001 £	Cash flows £	At 31 Dec 2001 £
Net cash:			
Cash in hand and at bank	1,675,926	(103,705)	1,572,221
Debt:			
Finance leases	(4,331)	(4,050)	(8,381)
Net funds	<u>1,671,595</u>	<u>(107,755)</u>	<u>1,563,840</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST 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 & 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 2001****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):

	2001	2000
	£	£
Depreciation	124,772	115,895
Loss on disposal of fixed assets	11,844	-
Profit on disposal of fixed assets	-	(179)
Auditors' remuneration		
- as auditors	7,450	7,000
- accountancy	9,824	12,678
Net loss on foreign currency translation	<u>24,786</u>	<u>177,948</u>

3. PARTICULARS OF EMPLOYEES

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

	2001	2000
	No.	No.
Number of production staff	95	83
Number of administrative staff	14	15
	<u>109</u>	<u>98</u>

The aggregate payroll costs of the above were:

	2001	2000
	£	£
Wages and salaries	1,542,032	1,356,413
Social security costs	16,086	15,665
	<u>1,558,118</u>	<u>1,372,078</u>

4. DIRECTOR'S EMOLUMENTS

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

	2001	2000
	£	£
Emoluments receivable	<u>44,774</u>	<u>42,158</u>

COHLINE (UK) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

5. INTEREST PAYABLE

	2001	2000
	£	£
Interest payable on bank borrowing	-	199
Finance charges	818	785
Other similar charges payable	393	-
	<u>1,211</u>	<u>984</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	2000
	£	£
In respect of the year:		
Corporation Tax based on the results for the year at 30% (2000 - 29%)	386,673	257,500
(Decrease)/Increase in deferred tax provision (Note 13):	(10,915)	16,782
Capital allowances	<u>375,758</u>	<u>274,282</u>
Adjustment in respect of previous years:		
Corporation Tax	<u>(500)</u>	<u>2,347</u>
	<u>375,258</u>	<u>276,629</u>

7. DIVIDENDS

The following dividends have been paid in respect of the year:

	2001	2000
	£	£
Dividend paid on ordinary shares	<u>933,027</u>	<u>-</u>

COHLINE (UK) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

8. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1st January 2001	964,023	192,010	3,681	1,159,714
Additions	103,263	58,329	-	161,592
Disposals	(69,546)	(2,535)	-	(72,081)
At 31st December 2001	<u>997,740</u>	<u>247,804</u>	<u>3,681</u>	<u>1,249,225</u>
DEPRECIATION				
At 1st January 2001	337,842	82,181	2,808	422,831
Charge for the year	99,774	24,780	218	124,772
On disposals	(44,382)	(710)	-	(45,092)
At 31st December 2001	<u>393,234</u>	<u>106,251</u>	<u>3,026</u>	<u>502,511</u>
NET BOOK VALUE				
At 31st December 2001	<u>604,506</u>	<u>141,553</u>	<u>655</u>	<u>746,714</u>
At 31st December 2000	<u>626,181</u>	<u>109,829</u>	<u>873</u>	<u>736,883</u>

Finance lease agreements

Included within the net book value of £746,714 is £10,596 (2000 - £6,930) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £1,319 (2000 - £866).

9. STOCKS

	2001 £	2000 £
Raw Materials	377,665	375,185
Work in progress	176,354	254,867
	<u>554,019</u>	<u>630,052</u>

10. DEBTORS

	2001 £	2000 £
Trade debtors	500,804	324,426
VAT recoverable	20,346	26,191
Other debtors	947	947
Prepayments and accrued income	134	490
	<u>522,231</u>	<u>352,054</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2001****11. CREDITORS: Amounts falling due within one year**

	2001		2000
	£	£	£
Trade creditors		167,230	249,940
Other creditors including taxation and social security:			
Corporation Tax	386,673		257,500
PAYE and social security	32,339		32,271
Finance leases	<u>2,973</u>		<u>1,925</u>
		421,985	291,696
Accruals and deferred income		<u>13,129</u>	<u>23,903</u>
		<u>602,344</u>	<u>565,539</u>

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

	2001	2000
	£	£
Other creditors including:		
Finance leases	<u>5,408</u>	<u>2,406</u>

13. DEFERRED TAXATION

	2001	2000
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	118,970	102,188
(Decrease)/increase in provision	<u>(10,915)</u>	<u>16,782</u>
Provision carried forward	<u>108,055</u>	<u>118,970</u>

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

	2001	2000
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>108,055</u>	<u>118,970</u>

14. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	2001	2000
	£	£
Amounts payable within 1 year	2,973	1,925
Amounts payable between 2 to 5 years	<u>5,408</u>	<u>2,406</u>
	<u>8,381</u>	<u>4,331</u>

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2001****15. COMMITMENTS UNDER OPERATING LEASES**

At 31st December 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2001	2000
	£	£
Operating leases which expire:		
Within 1 year	699	387
Within 2 to 5 years	-	312
After more than 5 years	4,501	3,068
	<u>5,200</u>	<u>3,767</u>

16. 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, Utta Gabriele Cohnen-Andres and Claudia Kathrin Cohnen-Lumbeck, shareholders of the company, have an interest :-

	2001	2000
	£	£
Cohline GmbH Montabaur		
Sales to Cohline Montabaur	379,977	432,267
Purchases from Cohline Montabaur	72,168	89,940
Debtor at year end	24,847	15,828
Creditor at year end	<u>3,620</u>	<u>3,732</u>
Cohline GmbH Dillenburg	£	£
Sales to Cohline Dillenburg	8,263,045	6,996,450
Purchases from Cohline Dillenburg	274,668	205,167
Purchase of fixed assets	-	47,782
Sale of fixed assets	15,145	10,193
Debtor at year end	481,067	293,478
Creditor at year end	<u>9,620</u>	<u>12,519</u>
Cohnen Gesellschaft Buergerlichen Rechts	£	£
Rent charged for the year	<u>120,000</u>	<u>120,000</u>

Mr W Cohnen has voting control over both Cohline GmbH Montabaur and Cohline GmbH Dillenburg.

COHLINE (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2001****17. SHARE CAPITAL****Authorised share capital:**

	2001 £	2000 £
100,000 Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2001 £	2000 £
Ordinary share capital	<u>100,000</u>	<u>100,000</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	904,405	590,892
Dividends	<u>(933,027)</u>	<u>-</u>
	(28,622)	590,892
Opening shareholders' equity funds	<u>2,708,000</u>	<u>2,117,108</u>
Closing shareholders' equity funds	<u>2,679,378</u>	<u>2,708,000</u>