

REGISTRAR OF
COMPANIES

COHLINE (U.K.) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST DECEMBER 1997

Registered number: 2474481

BURGESS HODGSON
CHARTERED ACCOUNTANTS
Canterbury



COHLINE (U.K.) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31st December 1997

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COHLINE (U.K.) LIMITED

COMPANY INFORMATION

31st December 1997

INCORPORATED	in England on 26th February 1990
NUMBER	2474481
CHAIRMAN	Hans - Joachim Cohnen
OTHER DIRECTORS	C Surgeon (appointed 8/12/97)
SECRETARY	Utta Gabriele Cohnen-Andres
REGISTERED OFFICE	Camburgh House, 27 New Dover Road, Canterbury, Kent CT1 3DN
AUDITORS	Burgess Hodgson Chartered Accountants Camburgh House 27 New Dover Road Canterbury Kent CT1 3DN

COHLINE (U.K.) LIMITED

DIRECTORS' REPORT

31st December 1997

The directors present their report and the abbreviated financial statements for the year ended 31st December 1997

Principal activity

The principal activity of the company is the manufacture and sale of automotive parts.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £1,569,123.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st December 1997 Ordinary shares	1st January 1997 Ordinary shares
Hans - Joachim Cohnen	100,000	100,000
C Surgeon (appointed 8/12/97)	-	-

The shares held by Hans - Joachim Cohnen are as a nominee of Cohnen Gesellschaft Buergerlichen Rechts, a partnership in which he has a 1/3 interest.

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 it becomes available.

Auditors

Burgess Hodgson have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

Uta Gabriele Cohnen-Andres
Secretary

Camburgh House,
27 New Dover Road,
Canterbury,
Kent CT1 3DN

13th April 1998
Man

COHLINE (U.K.) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

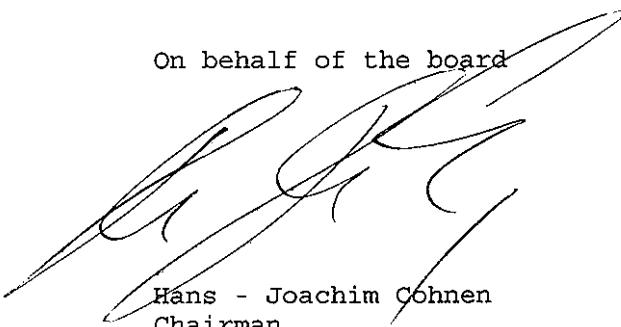
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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. They 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.

~~April~~ 1998
13th May

On behalf of the board



Hans - Joachim Cohnen
Chairman

COHLINE (U.K.) LIMITED

Auditors' report to
Cohline (U.K.) Limited
under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 5 to 12, together with the financial statements of the company for the year ended 31st December 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

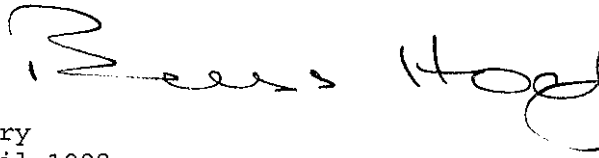
We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the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

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 5 to 12 are properly prepared in accordance with those provisions.

Canterbury
April 1998

RM


Burgess Hodgson
Registered Auditors
Chartered Accountants

COHLINE (U.K.) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1997

	Note	1997 £	1996 £
Gross profit		1,112,018	1,450,112
Net operating expenses			
Administrative expenses		(875,245)	(950,381)
Other operating income		9,536	4,128
Profit on ordinary activities before taxation		246,309	503,859
Taxation	5	(80,138)	(160,456)
Profit on ordinary activities after taxation		166,171	343,403
retained for the year	14		

Movements in reserves are shown in note 14.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

COHLINE (U.K.) LIMITED
 ABBREVIATED BALANCE SHEET
 at 31st December 1997

	Note	£	1997 £	£	1996 £
Fixed assets					
Tangible assets	6		585,533		342,173
Current assets					
Stocks	7	566,433		529,033	
Debtors	8	201,576		227,011	
Cash at bank and in hand		626,827		621,338	
			<u>1,394,836</u>	<u>1,377,382</u>	
Creditors: amounts falling due within one year	9	(366,200)		(314,403)	
Net current assets			<u>1,028,636</u>	<u>1,062,979</u>	
Total assets less current liabilities			<u>1,614,169</u>	<u>1,405,152</u>	
Provision for liabilities and charges	10	(45,046)		(2,200)	
			<u>1,569,123</u>	<u>1,402,952</u>	
Capital and reserves					
Called up share capital	13	100,000		100,000	
Profit and loss account	14	1,469,123		1,302,952	
Total shareholders' funds	12	1,569,123		1,402,952	

continued

COHLINE (U.K.) LIMITED

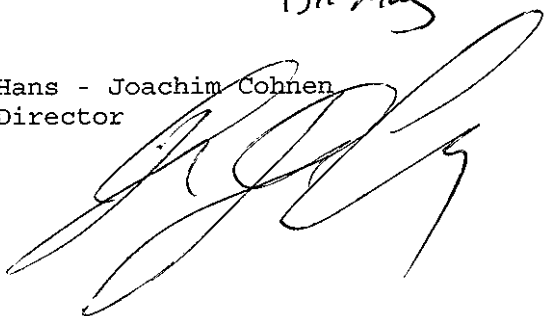
ABBREVIATED BALANCE SHEET
(continued)

at 31st December 1997

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements on pages 5 to 12 were approved by the board of directors on ^{12th May} April 1998 and signed on its behalf by:

Hans - Joachim Cohnen
Director



COHLINE (U.K.) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

1 Accounting policies**Basis of accounting**

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

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

0200 Plant and Machinery	10% Straight line
0800 Motor Vehicles	25% Reducing balance
0300 Fixtures and Fittings	10% Straight line

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Each transaction denominated in a foreign currency is translated into sterling at an average rate for the year.

All gains and losses on the exchange are written off to the profit and loss account as incurred.

All short term assets and liabilities denominated in foreign currency at the balance sheet date have been translated at the exchange rate applicable on 31st December 1997.

2 Turnover

The turnover for the year was derived from the company's principal activity.

In the opinion of the Directors disclosure of the classes of business carried on by the company and geographical markets supplied would be seriously prejudicial to the company's interests and accordingly such information has not been disclosed.

COHLINE (U.K.) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

3 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Interest receivable	9,536	4,128
and after charging		
Staff costs (note 4)	806,074	567,556
4850 Auditors' Remuneration	4,250	4,250
Operating leases		
Hire of plant and machinery	9,779	9,737
Loss on foreign exchange	60,032	234,662
Depreciation of tangible fixed assets (note 6)		
owned assets	64,670	47,375

4 Directors and employees

	1997 £	1996 £
Staff costs		
Wages and salaries	778,434	539,926
Average monthly number employed including executive directors:	Number	Number
Production staff	41	31
Office and management	14	11
	55	42
Directors	£	£
Emoluments	30,956	30,686

5 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 21.7% (1996 29.3%)	37,750	161,000
Deferred taxation	42,846	-
Over provision in earlier years	80,596 (458)	161,000 (544)
	80,138	160,456

COHLINE (U.K.) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

6 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Total £
1st January 1997	13,849	352,610	86,524	452,983
Additions	-	295,897	12,133	308,030
31st December 1997	13,849	648,507	98,657	761,013
Depreciation				
1st January 1997	3,462	81,462	25,886	110,810
Charge for year	2,597	52,207	9,866	64,670
31st December 1997	6,059	133,669	35,752	175,480
Net book amount				
31st December 1997	7,790	514,838	62,905	585,533
1st January 1997	10,387	271,148	60,638	342,173

7 Stocks

	1997 £	1996 £
Work in progress	189,857	175,342
Stock	376,576	353,691
	566,433	529,033

8 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	171,072	209,164
Other debtors	25,675	16,703
Prepayments and accrued income	4,829	1,144
	201,576	227,011

COHLINE (U.K.) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

9 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	197,703	126,961
Corporation tax	37,750	161,000
Other taxation and social security	20,645	15,072
Accruals and deferred income	110,102	11,370
	<u>366,200</u>	<u>314,403</u>

10 Provision for liabilities and charges

	1996 £	Profit and loss account £	Other movements £	1997 £
Deferred taxation (notes 5 and 11)	(2,200)	(42,846)	-	(45,046)
	<u>(2,200)</u>	<u>(42,846)</u>	<u>-</u>	<u>(45,046)</u>

11 Deferred taxation

	1997 Potential liability £	1997 Provision made £	1996 Potential liability £	1996 Provision made £
Corporation tax deferred by				
Deferred Taxation	-	45,046	-	2,200
	<u>-</u>	<u>45,046</u>	<u>-</u>	<u>2,200</u>

The potential liability and provision are based on a corporation tax rate of 21.7% (1996 29.3%).

12 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year representing a Net addition to shareholders' funds	166,171	343,403
Opening shareholders' funds	<u>1,402,952</u>	<u>1,059,549</u>
Closing shareholders' funds	<u>1,569,123</u>	<u>1,402,952</u>

COHLINE (U.K.) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

13 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

14 Profit and loss account

	1997 £
1st January 1997	1,302,952
Retained profit for the year	<u>166,171</u>
31st December 1997	<u>1,469,123</u>

15 Capital commitments

The company had the following capital commitments at the year end :-

	1997 £	1996 £
Authorised, but not contracted for	<u>-</u>	<u>100,000</u>
	<u>-</u>	<u>100,000</u>

COHLINE (U.K.) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

16 Directors' interests and loans

During the year the company entered into the following contracts with companies and partnerships in which Hans-Joachim Cohnen, a director of the company, has an interest:-

	1997 £	1996 £
Cohline GmbH Montabaur		
Sales to Cohline Montabaur	770,848	1,229,196
Purchases from Cohline Montabaur	83,312	117,529
Purchase of fixed assets	-	91,386
Debtor at year end	13,093	53,231
Creditor at year end	7,632	12,476
Cohline GmbH Dillenburg		
Sales to Cohline Dillenburg	3,053,094	2,503,649
Purchases from Cohline Dillenburg	206,136	188,799
Purchases of fixed assets	28,047	16,130
Debtor at year end	136,649	127,169
Creditor at year end	5,892	13,070
Cohnen Gesellschaft Buergerlichen Rechts		
Rent charged for year	120,000	120,000