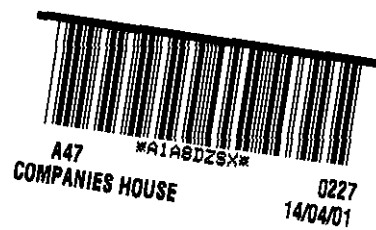


Century Oils International Limited

**Directors' report and financial
statements**

Registered number 137730

31 December 2000



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

Principal activity

The company has remained dormant throughout the financial year.

Directors and directors' interests

The directors who held office during the year were as follows:

Dr MBC Kost (appointed 1 August 2000, resigned 12 January 2001)

AJ Parsons (resigned 1 August 2000)

R Halhead

Dr R Rheinboldt (appointed 12 January 2001)

The directors are not required to disclose their interests in the share capital of Fuchs Petrolub AG, the ultimate holding company, since this company is incorporated in Germany.

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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies 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;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

R Halhead
Secretary



New Century Street, Hanley
Stoke-on-Trent, ST1 5HU

6TH APRIL

2001



Festival Way
Stoke-on-Trent
Staffordshire
ST1 5TA

Report of the auditors to the members of Century Oils International Limited

We have audited the financial statements on pages 3 to 5.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

Basis of audit opinion

We conducted our audit in accordance with 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.

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 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

11 April

2001

Balance sheet
at 31 December 2000

	Note	2000		1999	
		£000	£000	£000	£000
Current assets					
Debtors	2	104		104	
Creditors: amounts falling due within one year	3	(1,344)		(1,344)	
Net current liabilities			(1,240)		(1,240)
Net liabilities			(1,240)		(1,240)
Capital and reserves					
Called up share capital	4		50		50
Profit and loss account			(1,290)		(1,290)
Equity shareholders' funds			(1,240)		(1,240)

The company is dormant and has not traded during the financial year, has received no income and incurred no expenditure, and consequently has made neither a profit nor a loss.

These financial statements were approved by the board of directors on **6TH APRIL** 2001 and were signed on its behalf by:

R Halhead.

R Halhead
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Under Financial Reporting Standard No: 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published financial statements.

Related party transactions

The company has, in accordance with Financial Reporting Standard No: 8, taken advantage of the exemption from reporting the transactions between the company and other group undertakings since 90% or more of the voting rights are controlled by the group and the consolidated financial statements in which the company is included are publicly available.

2 Debtors

	2000 £000	1999 £000
Amounts owed by group undertakings	104	104

3 Creditors: amounts falling due within one year

	2000 £000	1999 £000
Amounts owed to group undertakings	1,344	1,344

Notes (continued)

4 Called up share capital

	2000 £000	1999 £000
<i>Authorised</i>		
200,000 ordinary shares of 25p each	50	50
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
200,000 ordinary shares of 25p each	50	50
	<hr/>	<hr/>

5 Contingent liabilities

The company has given an unlimited cross-guarantee for bank advances made to subsidiary undertakings which amounted to £1,177,476 at 31 December 2000 (1999: £3,194,000).

6 Ultimate parent company and immediate holding company

The company is a subsidiary of Century Oils Group Limited, which is incorporated in England.

The company's ultimate holding company is Fuchs Petrolub AG of Friesenheimer Strasse 17, D-6800, Mannheim, Germany, a company incorporated in Germany. Copies of these consolidated financial statements can be obtained from this address. No other group financial statements include the results of the company.