Ajax Magnethermic Europe Limited

Report and Financial Statements

31 December 2002

Registered No: 280453

Directors
C G Claisse
D N Henderson

Secretary
D N Henderson

Auditors
Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered office
Holland Road
Oxted
Surrey
RH8 9BA

Directors' report

The directors present their report and financial statements for the year ended 31 December 2002.

Results and dividends

The loss for the year after taxation amounted to £4,194,733 (year ended 31 December 2001 - loss £1,809,941). The directors do not recommend payment of a dividend.

Principal activities and review of the business

The activities of the company during the year were the manufacture and marketing of induction melting and heating equipment. At 31 December 2002 the company cease its manufacturing activity.

Change in control

On 10 September 2002, Tocco Acquisitions Limited, a wholly owned subsidiary of Park-Ohio Holdings Corporation, acquired the whole of the issued share capital of Ajax Magnethermic Corporation which then changed its name to Ajax Tocco Magnethermic Corporation, of which the company is a subsidiary.

Events since the balance sheet date

On 1 April 2003 the company transferred its business and assets at book value, excluding freehold land and buildings and tax recoverable, and liabilities excluding amounts due to group undertakings to Ajax Tocco International Limited, a fellow group undertaking, and the company became dormant and as such the financial statements have been prepared on a break-up basis.

Directors and their interests

The directors who served the company during the year were as follows. They had no beneficial interests in the ordinary shares of the company.

C G Claisse
D N Henderson

Auditors

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board

6 April 2004

D N Henderson
Secretary

Statement of directors' responsibilities in respect of the financial statements

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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.

Independent auditors' report

to the members of Ajax Magnethermic Europe Limited

We have audited the company's financial statements for the year ended 31 December 2002 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 17. These financial statements have been prepared on the basis of the accounting policies set out therein. The financial statements have been prepared on the break-up basis.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 1985. 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as described below. 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 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. However, the evidence available to us was limited in relation to the minimum legal obligation of the company to fund the pension fund deficit. The company operated a defined benefit pension scheme which, as set out in note 14, was terminated on 3 December 2002. In our opinion provision should be made in the financial statements for the company's obligations in respect of the pension fund deficit. The directors have not taken professional advice as to the minimum legal obligation of the company to fund the deficit. There were no satisfactory audit procedures we could adopt to confirm the level of provision required. Any provision in the balance sheet would have a consequential effect on the loss for the year ended 31 December 2002.

Independent auditors' report

to the members of Ajax Magnethermic Europe Limited (continued)

Qualified opinion arising from limitation of audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the level of provision required in respect of the deficit of the pension scheme, in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to the provision required in respect of the pension fund deficit:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

Ernst & Young LLP 26 April 2004

Ernst & Young LLP
Registered Auditor
London

Profit and loss account

for the year ended 31 December 2002

	Notes	2002 £	2001 £
Turnover	2	3,668,261	8,465,739
Cost of sales		(6,329,262)	(8,773,265)
Gross loss		(2,661,001)	(307,526)
Administrative expenses		(1,842,501)	(1,555,645)
Operating loss	3	(4,503,502)	(1,863,171)
Bank interest receivable		2,895	4,479
Interest payable		–	(1,249)
		2,895	3,230
Loss on ordinary activities before taxation		(4,500,607)	(1,859,941)
Tax on loss on ordinary activities	5	(305,874)	(50,000)
Loss for the financial year	12	(4,194,733)	(1,809,941)

All of the operating result above relates to discontinued activities.

Statement of total recognised gains and losses

for the year ended 31 December 2002

	Notes	2002 £	2001 £
Loss for the financial year	12	(4,194,733)	(1,809,941)
Revaluation of land	6	–	(444,547)
Total recognised losses relating to the year		(4,194,733)	(2,254,488)

Note of historical cost profits and losses

There are no differences between the loss for the year and the loss calculated on an historical cost basis.

Balance sheet

at 31 December 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	6	–	1,362,714
Current assets			
Tangible assets	6	1,327,214	–
Stocks	7	870,886	439,751
Debtors	8	2,046,743	6,531,734
Cash at bank		315,636	–
		4,560,479	6,971,485
Creditors: amounts falling due within one year	9	5,657,582	6,417,637
Net current (liabilities)/assets		(1,097,103)	553,848
Total assets less current liabilities		(1,097,103)	1,916,562
Provisions for liabilities and charges			
Provisions for contract losses and maintenance	10	1,789,461	608,393
		(2,886,564)	1,308,169
Capital and reserves			
Called up share capital	11	51,000	51,000
Share premium account	12	207,000	207,000
Revaluation reserve	12	935,453	935,453
Profit and loss account	12	(4,080,017)	114,716
Equity shareholders' funds	12	(2,886,564)	1,308,169

Director

6 April 2004

Notes to the financial statements

at 31 December 2002

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

The financial statements have been prepared on a break-up basis due to the transfer of the business of the company on 1 April 2003 (note 17). Accordingly, adjustments have been to reduce the carrying value of assets to their estimated realisable amount, to provide for any further liabilities which will arise up to the point of transfer of the business and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Cash flow statement

The company is exempt under FRS1 (revised) from preparing a cash flow statement as it is a subsidiary of a company which holds at least 90% of the voting rights and whose consolidated financial statements are publicly available.

Turnover

Turnover comprises the invoiced value of goods and services provided net of value added tax and amounts recoverable on long-term contracts.

Depreciation

Freehold land is not depreciated.

Other assets are depreciated at the following rates on a straight line basis:

Freehold buildings	-	8% per annum
Plant and equipment	-	10% to 20% per annum.

The carrying values of tangible fixed assets are reviewed for impairment in years if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value. The cost of raw materials and stores is calculated at average cost. Work in progress includes workshop and engineering labour overheads.

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.

Long-term contracts

Revenue is recognised under a long-term contract when the job is completed, unless specified thresholds for sales value and stage of completion are met. If these thresholds are met, the accumulated costs under the contract and a rateable portion of its sales value are included in the profit and loss account.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

The balance of payments on account not matched with turnover or offset against amounts recoverable on contracts is included in creditors.

The amounts by which the foreseeable losses exceed costs incurred in work in progress are included in provisions.

Notes to the financial statements

at 31 December 2002

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the forward contract rate, if applicable.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined benefit pension scheme. Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives within the company. The contribution levels are determined by valuations undertaken by independent qualified actuaries.

Guaranteed maintenance

Provision is made for the estimated cost of future guaranteed maintenance in respect of completed contracts.

Contract loss provision

Provision is made, on a contract by contract basis, for estimated rectification costs resulting from unforeseen events during the course of completion of contracts.

Revaluation reserve

Surpluses/deficits arising on the revaluation of individual fixed assets are credited/debited to a non-distributable reserve known as the revaluation reserve. Revaluation deficits in excess of the amount of prior revaluation surpluses on the same asset are charged to the profit and loss account. Where depreciation charges are increased following a revaluation, an amount equal to such increases is transferred annually from this reserve to the profit and loss account below the profit for the financial year. On the disposal of a revalued fixed asset any remaining revaluation surplus corresponding to that item is also transferred to the profit and loss account as a movement on reserves.

Notes to the financial statements

at 31 December 2002

2. Turnover

It is the opinion of the directors that disclosure of the geographical analysis of turnover would be seriously prejudicial to the interests of the company. This information has not therefore been disclosed in accordance with the provisions of the Companies Act 1985. All the turnover is in respect of discontinued activities.

3. Operating loss

This is stated after charging:

	2002	*2001*
	£	*£*
Auditors' remuneration - audit services	20,000	26,000
Depreciation of owned fixed assets	35,500	67,160
Operating lease rentals - plant and machinery	129,742	87,894
Net loss on foreign currency translation	66,038	141,293

4. Directors and employees

	2002	*2001*
	£	*£*
Wages and salaries	1,158,837	1,301,847
Social security costs	91,568	112,277
Other pension costs (note 14)	108,126	133,842
	1,358,531	1,547,966

The monthly average number of employees during the year was as follows:

	2002	*2001*
	No.	*No.*
Management	6	5
Production	25	31
Other	15	18
	46	54

Notes to the financial statements

at 31 December 2002

4. Directors and employees (continued)

Directors' remuneration:

	2002	*2001*
	£	*£*
Emoluments	171,911	131,684

	2002	*2001*
	No.	*No.*
Members of defined benefit pension schemes	2	2

5. Taxation

(a) Tax on loss on ordinary activities

The tax credit is made up as follows:

	2002	*2001*
	£	*£*
Current tax:		
UK corporation tax recoverable	(305,874)	–
Tax over provided in previous years	–	(50,000)
Total current tax (note 5(b))	(305,874)	(50,000)

Notes to the financial statements

at 31 December 2002

5. Taxation (continued)

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30% (2001 - 30%). The differences are reconciled below:

	2002	*2001*
	£	*£*
Loss on ordinary activities before taxation	(4,500,607)	(1,859,941)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30 % (2001 - 30%)	(1,350,182)	(557,982)
Effects of:		
Expenses not deductible for tax purposes	33,150	10,622
Capital allowances in excess of depreciation	*(8,128)*	*(3,254)*
Adjustments in respect of previous periods	–	(50,000)
Tax losses carried forward	1,136,133	559,086
Other	(3,629)	–
Other timing differences	(113,218)	(8,472)
Total current tax (note 5(a))	*(305,874)*	*(50,000)*

(c) Factors that may affect future tax charges

The company has not recognised a deferred tax asset in relation to advance of capital allowances, trading losses and other short term timing differences. No provision has been made for deferred tax on capital gains arising from revaluation of the freehold land and building as it is not envisaged that any tax will become payable in the foreseeable future.

6. Tangible fixed assets

	Freehold land and buildings	*Plant and equipment*	*Total*
	£	£	£
Cost or valuation:			
At 31 December 2001 and 31 December 2002	1,250,000	522,019	1,772,019
Depreciation:			
At 31 December 2001	–	409,305	409,305
Charge for year	10,500	25,000	35,500
At 31 December 2002	10,500	434,305	444,805
Net book value:			
At 31 December 2002	1,239,500	87,714	1,327,214
At 31 December 2001	1,250,000	112,714	1,362,714

Included in freehold land and buildings is land valued at £1,155,000, which is not depreciated and has been reviewed for impairment.

Notes to the financial statements

at 31 December 2002

6. Tangible fixed assets (continued)

On 10 December 2002 the freehold property was revalued by MUA Property Services Ltd at the open market value, on the basis of current use. This resulted in a downwards revaluation of a net £445,000 in the value of freehold land which has been reflected in the financial statements of the company for the year ended 31 December 2001. The directors estimate of the realisable value of the freehold land and buildings is not materially different from the valuation on 10 December 2002.

The tangible assets of the company have been reclassified in the current period as current assets in accordance with the break-up basis of accounting as set out in note 1.

The value, under the historical cost convention, of re-valued assets at 31 December 2002 is as follows:

	Freehold land and buildings
	£
Historical cost	629,551
Accumulated depreciation	325,504
Net book value	304,047

7. Stocks

	2002	*2001*
	£	*£*
Raw materials and consumables	38,553	54,831
Work in progress	832,333	384,920
	870,886	439,751

8. Debtors

	2002	*2001*
	£	*£*
Trade debtors	1,609,511	3,300,276
Amounts recoverable on long term contracts	–	2,651,337
Corporation tax recoverable	305,874	50,000
Other debtors	109,765	517,055
Prepayments and accrued income	21,593	13,066
	2,046,743	6,531,734

Notes to the financial statements

at 31 December 2002

9. Creditors: amounts falling due within one year

	2002	2001
	£	£
Bank overdrafts	–	277,027
Payments received on account	–	63,010
Trade creditors	1,186,708	2,271,515
Amounts owed to group undertakings	4,280,897	3,688,544
Other taxation and social security	29,838	27,383
Accruals and deferred income	160,139	90,158
	5,657,582	6,417,637

The amounts due to group undertakings are secured by a debenture over the assets of the company dated 2 April 2003.

10. Provisions for liabilities and charges

The movements in provisions are as follows:

	£
At 1 January 2002	608,393
Profit and Loss Account movement arising during the year	1,181,068
At 31 December 2002	1,789,461

This provision relates to contract loss and maintenance provisions.

11. Share capital

		Authorised
	2002	2001
	£	£
Ordinary shares of £1 each	51,000	51,000

	Allotted, called up and fully paid			
		2002		2001
	No.	£	No.	£
Ordinary shares of £1 each	51,000	51,000	51,000	51,000

Notes to the financial statements

at 31 December 2002

12. Reconciliation of shareholders' funds and movements on reserves

	Share capital	*Share premium account*	*Revaluation reserve*	*Profit and loss account*	*Total*
	£	*£*	*£*	*£*	*£*
At 1 January 2001	51,000	207,000	1,380,000	1,924,657	3,562,657
Loss for the year	–	–	–	(1,809,941)	(1,809,941)
Revaluation of fixed assets	–	–	(444,547)	–	(444,547)
At 31 December 2001	51,000	207,000	935,453	114,716	1,308,169
Loss for the year	–	–	–	(4,194,733)	(4,194,733)
At 31 December 2002	51,000	207,000	935,453	(4,080,017)	(2,886,564)

13. Other financial commitments

At 31 December 2002, the company had annual commitments under non-cancellable operating leases in respect of plant and equipment as follows:

	2002	*2001*
	£	*£*
Within one year	3,924	3,924
More than one year but less than five years	58,732	58,732
	62,656	62,656

The company had outstanding bank guarantees and standby letters of credit with its various bankers at 31 December 2002 of £nil (2001 - £1,787,869). The guarantees were in respect of certain debtors and creditors.

During the year, the company was released by its parent undertaking from all its cross-group guarantee obligations in respect of the bank borrowings of its former parent.

14. Pensions

Under the break-up basis of preparation of the financial statements the company is required to provide at the balance sheet date for future obligations to fund its pension scheme. Pension liabilities have been calculated in accordance with Statement of Standard Accounting Practice no. 24 (SSAP 24) applying the most recent valuation at 31 December 2001 and Financial Reporting Standard no. 17 (FRS 17) at 31 December 2002 as set out below.

These bases of calculation give a deficit of the scheme's funds to liabilities of £310,000 under SSAP 24 and £610,000 under FRS 17.

The directors have decided that no provision should be made in these financial statements for the company to contribute to the scheme's funding deficit, because in their opinion the company is not liable to make any future contributions following the termination of the pension scheme on 3 December 2002.

Notes to the financial statements

at 31 December 2002

14. Pensions (continued)

SSAP 24 disclosures

The group operates a funded defined benefit pension scheme, the Ajax Magnethermic Europe 1998 Pension Plan.

The pension costs are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit method. The results of the most recent valuations, which were conducted as at 31 December 2001, were as follows:

	United Kingdom
	% per annum
Main assumptions:	
Rate of return on investments	7.00
Rate of salary increases	5.00
Rate of pension increases	2.50
	£000
Market value of scheme's assets	1,549
Level of funding being the actuarial value of assets expressed as a percentage of the benefits accrued to members, after allowing for future salary increases	80%

The company has increased its contribution rate to 15.8% of pensionable earnings (31 December 2000 - 12.6%).

FRS 17 disclosures

The Ajax Magnethermic 1998 Pension Plan is a defined benefit plan. The last full funding valuation was carried out as at 31 March 2001. These FRS17 liabilities have been rolled forward from this date after making allowance for membership movements, salary increases and the fact that the plan terminated on 3 December 2002. The actuarial calculations disclosed in the note below were performed at an effective date of 31 March 2003. In the opinion of the directors there is no material difference between the FRS 17 disclosures calculated at this date and 31 December 2002.

The major assumptions used were:

	2002	*2001*
	%	*%*
Rate of increase in salaries	4.50	4.50
Rate of increase to non-GMP pensions in payment	2.50	2.50
Rate of increase to non-GMP pensions in deferment	2.50	2.50
Discount rate	5.50	5.75
Inflation assumption	2.50	2.50

Notes to the financial statements

at 31 December 2002

14. Pensions (continued)

The assets and liabilities in the scheme and the expected rate of return were:

	Long-term rate of return expected at 31 December 2002	*Value at 31 December 2002*	*Long-term rate of return expected at 31 December 2001*	*Value at 31 December 2001*
	%	*£000*	*%*	*£000*
Equities	8.00	1,172	7.00	1,389
Bonds	4.50	133	5.00	120
Other	4.00	–	4.00	12
Total market value of invested assets		1,305		1,521
Actuarial value of insured pensions	5.50	28	5.75	28
Total value of assets		1,333		1,549
Present value of plan liabilities		(1,943)		(2,049)
Deficit in the plan		(610)		(500)
Net pension liability		(610)		(500)

Analysis of amount credited to profit and loss account

	2002
	£000
Current service cost	(135)
Gains and losses on any settlements and curtailments	589
Total operating credit	454

Analysis of amount credited to other finance income

	2002
	£000
Expected return on plan assets	136
Interest on plan liabilities	(152)
Net return	(16)

Notes to the financial statements

at 31 December 2002

14. Pensions (continued)

Analysis of amount notionally recognised in Statement of Total Recognised Gains and Losses (STRGL)

	2002
	£000
Actual return less expected return on plan assets	(453)
Experience gains and losses arising on the plan liabilities	19
Changes in financial assumptions underlying the plan liabilities	(223)
Actuarial loss recognised in STRGL	(657)

Movements in deficit during the year

	2002
	£000
Deficit in scheme at beginning of the year	(500)
Movement in year:	
Current service cost	(135)
Contributions	109
Gain from curtailment	589
Other finance income	(16)
Actuarial loss	(657)
Deficit in scheme at the end of the year	(610)

The company contributed to the plan at the rate of 15.8% of salaries up to 3 December 2002. Depending on their age, active members of the plan contributed at 3%, 4% or 5% of salaries.

History of experience gains and losses

	2002
Difference between the expected and actual return on plan assets:	
Amount (£000)	(453)
Percentage of plan assets	(34%)
Experience gains and losses on plan liabilities:	
Amount (£000)	19
Percentage of the present value of the plan liabilities	1%
Total amount notionally recognised in Statement of Total Recognised Gains and Losses:	
Amount (£000)	(657)
Percentage of the present value of the plan liabilities	(34%)

Effective on company net (liabilities)/assets

	2002	*2001*
	£000	*£000*
Net (liabilities)/assets excluding pension liability	(2,887)	1,308
Net pension liability	(610)	(500)
Net (liabilities)/assets including pension liability	(3,497)	808

Notes to the financial statements

at 31 December 2002

14. Pensions (continued)

Reserves

	2002 £000	2001 £000
Profit and loss reserve excluding pension liability	(4,080)	115
Net pension liability	(610)	(500)
Profit and loss reserve	(4,690)	(385)

15. Related party disclosures

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the Ajax Magnethermic Corporation group on the grounds that at least 90% of the voting rights of the company are controlled by the group.

16. *Parent undertaking and controlling party*

The company is a subsidiary undertaking of Ajax Tocco Magnethermic Corporation, a company registered in the USA. Copies of its group, which include the company, are available from 1506 Industrial Boulevard, Boaz, Alabama, USA. In the directors' opinion, the company's ultimate parent undertaking and controlling party is Park-Ohio Inc., a company registered in the USA.

17. Post balance sheet events

The disposal of the business, assets (excluding freehold land and buildings and taxation recoverable) and liabilities (excluding amounts due to group undertakings) was made at net book value to a fellow group undertaking on 1 April 2003 with no profit or loss arising.