

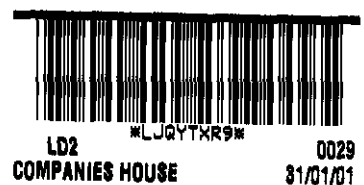


ARTHUR ANDERSEN

**Whipp & Bourne Limited**

Directors' Report and Financial Statements  
For the year ended 31 March 2000

Registered number: 2641487



## Directors' report

For the year ended 31 March 2000

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 March 2000.

### Principal activities and review of the business

The company is an intermediate holding company. The company has not traded during the year ended 31 March 2000.

### Directors and their interests

The directors during the year were as follows:

JA Biles

MJR Porter

No director had any beneficial interest in the shares of the company at 31 March 2000 or 1 April 1999.

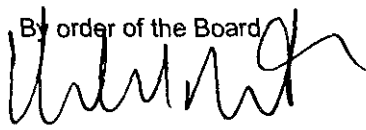
Mr JA Biles is also a director of the ultimate parent company and his interests in the shares of that company are disclosed in that company's financial statements.

At 31 March 2000, MJR Porter held 417 (1999: nil) shares in the ultimate parent company and held options over 6,866 (1999: 131,866) shares of the ultimate parent company.

### Auditors

A resolution is to be proposed at the annual general meeting for the re-appointment of Arthur Andersen as auditors of the company.

15-19 New Fetter Lane  
London  
EC4A 1LY

By order of the Board  
  
MJR Porter  
Secretary

20 June 2000

## 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 year. 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; 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.

**To the members of Whipp & Bourne Limited**

We have audited the financial statements on pages 4 to 7, which have been prepared under the historical cost convention, modified to include the revaluation of certain fixed asset investments and on the basis of the accounting policies set out on page 5.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of 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.

**Basis of 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 affairs of the company as at 31 March 2000 and have been properly prepared in accordance with the Companies Act 1985.

*Arthur Andersen*

**Arthur Andersen**  
**Chartered Accountants and Registered Auditors**

1 City Square  
Leeds  
LS1 2AL

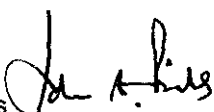
20 June 2000

# Balance sheet

31 March 2000

	Notes	2000 £000	1999 £000
<b>Fixed assets</b>			
Investments	2	<u>1,232,587</u>	<u>-</u>
<b>Current assets</b>			
Debtors	3	15,386	-
<b>Creditors:</b> amounts falling due within one year	4	<u>(1,049,181)</u>	<u>-</u>
<b>Net current liabilities</b>		<u>(1,033,795)</u>	<u>-</u>
<b>Total assets less current liabilities</b>		<u>198,792</u>	<u>-</u>
<b>Capital and reserves</b>			
Called-up share capital	5	-	-
Share premium	6	196,288	-
Profit and loss account	6	<u>2,504</u>	<u>-</u>
<b>Equity shareholders' funds</b>		<u>198,792</u>	<u>-</u>

Signed on behalf of the board

JA Biles 

Director

20 June 2000

The only recognised gains and losses for the year are foreign currency translation gains on foreign currency net investments and loans of £2,504,000 (1999: £nil).

The accompanying notes are an integral part of this balance sheet.

## Statement of accounting policies

31 March 2000

### **Accounting convention**

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed asset investments and in accordance with applicable accounting standards.

### **Group financial statements**

The company has not prepared group financial statements as it is exempt from the requirement to do so by Section 228 of the Companies Act 1985 as it is a subsidiary undertaking of FKI plc, a company incorporated in Great Britain and registered in England and Wales, and is included in the consolidated financial statements of that company.

### **Cash flow statements**

No cash flow statement is included because the company is a wholly owned subsidiary undertaking of FKI plc, a company registered in England and Wales.

### **Going concern**

The financial statements indicate that the company has net current liabilities. The directors have prepared the financial statements on a going concern basis since the ultimate parent company has indicated that the group will continue to give financial support for the foreseeable future.

### **Investments**

Foreign equity investments are recorded in foreign currency amounts and translated into sterling at each year end. Any exchange gains or losses arising are taken to reserves. All other fixed asset investments are stated at cost less provision for impairment.

### **Foreign currencies**

Exchange gains and losses arising on foreign currency borrowings used to finance the company's foreign currency equity investments are taken to reserves to the extent that they can be offset against the exchange differences arising on the equity investments.

# Notes to the financial statements

For the year ended 31 March 2000

## 1 Directors, employees and audit fee

The directors received no remuneration during the year (1999 £nil). There were no staff employed other than directors (1999 none). The audit fee in 1999 and 2000 was borne by the parent undertaking.

## 2 Investments

Cost/valuation	£000
At 1 April 1999	-
Additions	1,530,508
Disposals	(290,370)
Foreign currency translation differences on foreign currency net investment	(7,551)
<b>At 31 March 2000</b>	<b><u>1,232,587</u></b>

Details of the subsidiaries at 31 March 2000 are as follows:

Name	Nature of business	Country of incorporation or registration
Brush Traction (100%)	Holding company	England and Wales
Fisher Karpark Industries (100%)	Holding company	England and Wales
FKI Mondiale Holding BV	Holding company	The Netherlands

In the opinion of the directors the company's investments in subsidiary undertakings is not less than the amount included in the balance sheet.

## 3 Debtors

	2000 £000	1999 £000
Amounts owed by parent undertaking due within one year	<u>15,386</u>	<u>-</u>

## 4 Creditors: amounts falling due within one year

	2000 £000	1999 £000
Amounts owed to subsidiary undertakings	290,352	-
Amounts owed to ultimate parent undertaking	758,829	-
	<u>1,049,181</u>	<u>-</u>

## Notes to the financial statements (continued)

### 5 Called-up share capital

	Number	£000
<b>Authorised</b>		
£1 Ordinary shares		
1 April 1999 and 31 March 2000	<u>2</u>	<u>-</u>
<b>Allotted, called-up and fully paid</b>		
£1 Ordinary shares		
1 April 1999 and 31 March 2000	<u>2</u>	<u>-</u>

### 6 Reserves

	Share premium account £000	Profit and loss account £000
At 1 April 1999	-	-
Premium on shares issued	196,288	-
Foreign currency translation differences on foreign currency net investments and loans (net of tax)	-	2,504
<b>At 31 March 2000</b>	<u>196,288</u>	<u>2,504</u>

### 7 Reconciliation of movements in shareholders' funds

	2000 £000	1999 £000
Opening shareholders' funds	-	-
Issue of share capital	196,288	-
Foreign currency translation differences on foreign currency net investments and loans (net of tax)	2,504	-
<b>Closing shareholders' funds</b>	<u>198,792</u>	<u>-</u>

### 8 Ultimate parent company

The directors regard FKI plc, a company incorporated in Great Britain and registered in England and Wales, as the company's ultimate parent company.

FKI plc is the parent undertaking of the largest group of which Whipp & Bourne Limited is a member and for which group financial statements are drawn up. FKI Engineering Limited incorporated in Great Britain and registered in England and Wales is the parent undertaking of the smallest group of which Whipp & Bourne Limited is a member and for which group financial statements are drawn up. Copies of the group financial statements of FKI plc are available to the public from the Company Secretary, FKI plc, 15-19 New Fetter Lane, London EC4A 1LY.