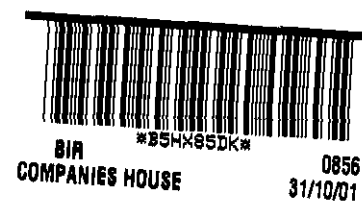


ATE Group Limited

Report and Financial Statements

Year Ended

31 December 2000



ATE Group Limited

Annual report and financial statements for the year ended 31 December 2000

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Directors

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Directors

A T Evans

Secretary and registered office

Mrs A Evans, Boundary Industrial Estate, Stafford Road, Fordhouses, Wolverhampton,
West Midlands WV10 3ER

Company number

02976493

Auditors

BDO Stoy Hayward, Mander House, Wolverhampton, West Midlands WV1 3NF

ATE Group Limited

Report of the directors for the year ended 31 December 2000

The director presents his report together with the audited financial statements for the year ended 31 December 2000.

Results and dividends

The profit and loss account is set out on page 4 and shows the loss for the year.

Principal activities

The company did not trade during the year ended 31 December 2000. The loss represents a debt written off during the year.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	£1 Ordinary Shares	
	2000	1999
A J Wilson - resigned 9 October 2000	-	-
A T Evans - appointed 22 September 2000	50,200	-

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 and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then 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 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. He 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.

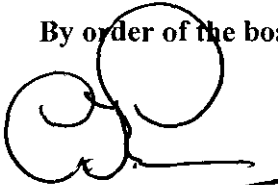
ATE Group Limited

Report of the directors for the year ended 31 December 2000 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'A T Evans', written over a horizontal line.

A T Evans

Director

24 October 2001

ATE Group Limited

Report of the independent auditors

To the shareholders of ATE Group Limited

We have audited the financial statements of ATE Group Limited for the year ended 31 December 2000 on pages 4 to 7 which have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities.

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 Director's 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 Director's 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. 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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
Wolverhampton

26 Oct 2001

ATE Group Limited

Profit and loss account for the year ended 31 December 2000

	Note	2000 £	1999 £
Administrative expenses		(53,100)	-
		<hr/>	<hr/>
Loss on ordinary activities before and after taxation retained for the year		(53,100)	-
Retained profit brought forward		-	-
		<hr/>	<hr/>
Accumulated loss carried forward		(53,100)	-
		<hr/>	<hr/>

All recognised gains and losses are included in the profit and loss account.

The notes on pages 6 to 7 form part of these financial statements.

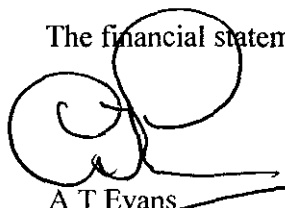
ATE Group Limited

Balance sheet at 31 December 2000

	Note	2000	1999
		£	£
Current assets			
Debtors	4	-	53,100
Net current assets		-	53,100
Net assets		-	53,100
Capital and reserves			
Called up share capital	5	50,200	50,200
Share premium account		2,900	2,900
Profit and loss account		(53,100)	-
Shareholders' funds	6	-	53,100

Included within shareholders' funds is an amount of £53,000 (1999: £53,000) in respect of non-equity interests.

The financial statements were approved by the Board on 24 October 2001.



A T Evans

Director

The notes on pages 6 to 7 form part of these financial statements.

ATE Group Limited

Notes forming part of the financial statements for the year ended 31 December 2000

1 Accounting policies

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

2 Turnover

The company did not trade during the year.

3 Directors

No director received any emoluments during this or the prior year.

4 Debtors

	2000 £	1999 £
Amounts due from group undertakings	-	53,100

All amounts shown under debtors fall due for payment within one year.

5 Called up share capital

	Authorised		Allotted, called up and fully paid	
	31 December 2000 Number	31 December 1999 Number	31 December 2000 £	31 December 1999 £
Equity share capital				
Ordinary shares of £1 each	100	100	100	100
Non-equity share capital				
Preferred ordinary shares of £1 each	50,100	50,100	50,100	50,100
	<u>50,200</u>	<u>50,200</u>	<u>50,200</u>	<u>50,200</u>

The preferred ordinary shares carry, in priority to the holders of the ordinary shares, the right to a dividend not exceeding £36,000 in respect of each accounting period of the company and, on a return of capital, to the return of the paid up capital and to a further sum of up to £450,000.

ATE Group Limited

Notes forming part of the financial statements for the year ended 31 December 2000 *(Continued)*

6 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Loss for the year	(53,100)	-
Opening shareholders' funds	53,100	53,100
	<hr/>	<hr/>
Closing shareholders' funds	-	53,100
	<hr/>	<hr/>

7 Contingent liabilities

The company has given an unlimited multilateral guarantee in respect of the bank borrowings of an associated company. The directors do not consider that they will be called upon to honour this guarantee.