

BROOMCO (1850) LIMITED

REPORT AND ACCOUNTS

31 MARCH 2000

Registered Number: 3773200



Broomco (1850) Limited

Annual report

for the period from incorporation on 19 May 1999 to 31 March 2000

	Pages
Directors and advisers	2
Directors' report	3-4
Statement of directors' responsibilities	5
Report of the auditors	6-7
Balance sheet	8
Notes to the financial statements	9-12

Broomco (1850) Limited

Directors and advisers

Directors

B A Williams
K Broom
S Schaffer
K D Henning

Secretary and Registered Office

S C Rudd
Mill Lane
Wingerworth
Chesterfield
Derbyshire, S42 6NG

Registered Auditors

PricewaterhouseCoopers
1 East Parade
Sheffield
S1 2ET

Solicitors

DLA
Fountain Precinct
Balm Green
Sheffield
S1 1RZ

Bankers

The Royal Bank of Scotland plc
P O Box 450
5-10 Great Tower Street
London
EC3P 3HX

Broomco (1850) Limited

Directors' report

for the period from incorporation on 19 May 1999 to 31 March 2000

The Directors present their annual report and the audited financial statements for the period from incorporation on 19 May 1999 to 31 March 2000.

Principal activities and future developments

The Company did not trade during the period and has no assets other than those shown on the balance sheet on page 8. The company is not expected to trade in the foreseeable future.

Directors and directors' interests

The Directors who served during the period were:

B A Williams
K Broom
S Schaffer
O Schwarz (resigned 2 August 2000)
K D Henning (appointed 2 August 2000)

According to the register kept in accordance with the Companies Act 1985 the directors at 31 March 2000 had no interests in the shares of the Company.

All the directors at 31 March 2000 are also directors of the ultimate holding company and their interests in the shares of the group companies are disclosed in the directors report of that company.

There is no requirement for the directors to retire by rotation.

Year 2000 Compliance

The Year 2000 issue was addressed from a Group perspective. An extract from the Director's report in the Group Financial Statements is set out below. No other specific company issues arose.

'Our IT systems fall into two main categories, main business systems and local personal computers which are stand alone or in small networks. The Group wide programme addressed year 2000 issues arising in both categories. None of the Group's operations or financial results have been adversely affected by year 2000 compliance failures.

The Directors consider that any residual risk and uncertainty associated with year 2000 issues are negligible.

No liability has arisen to third parties as a result of any year 2000 failures.'

Broomco (1850) Limited

Dividends

The directors do not recommend the payment of a final dividend.

Auditors

PricewaterhouseCoopers were appointed auditors during the period and a resolution for their reappointment will be proposed at the annual general meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'S C Rudd', written in a cursive style.

S C Rudd
Company Secretary
21 September 2000

Broomco (1850) Limited

Statement of directors' responsibilities

The Directors are required by UK Company Law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31 March 2000. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

A handwritten signature in dark ink, appearing to read 'S C Rudd', is written in a cursive style.

S C Rudd
Company Secretary
21 September 2000

Broomco (1850) Limited

Auditors report to the members of Broomco (1850)Limited

We have audited the financial statements on pages 8 to 12.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 5, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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.

Broomco (1850) Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2000 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads "PricewaterhouseCoopers". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Sheffield

21 September 2000

Broomco (1850) Limited

Balance sheet at 31 March 2000

	Notes	2000 £
Fixed assets		
Investments	3	5,202,121
Current assets		
Debtors	4	<u>2,000,001</u>
		2,000,001
Creditors: amounts falling due within one year	5	<u>(400,000)</u>
Net current assets		1,600,001
Total assets less current liabilities		<u>6,802,122</u>
Creditors: amounts falling due after more than one year	6	<u>(4,925,941)</u>
Net assets		<u>1,876,181</u>
Capital and reserves		
Called up share capital	8	7,054
Share premium account	9	1,869,127
Profit and loss account	9	-
Equity shareholders' funds	10	<u>1,876,181</u>

The financial statements on pages 8 to 12 were approved by the board of directors on 21 September 2000 and were signed on its behalf by:



Keith Broom
Finance Director

Broomco (1850) Limited

Notes to the financial statements for the period from incorporation on 19 May 1999 to 31 March 2000

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

These financial statements are prepared in accordance with the historical cost convention.

Exemption from preparing consolidated financial statements

The financial statements contain information about Broomco (1850) Limited as an individual company and do not contain consolidated financial information as the parent of a group. Furthermore, no notice has been served on the company by Carbotech Aktivkohlen GmbH who have an 18% interest in the company requiring the preparation of consolidated financial statements. The company and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, CPL Industries Limited, a company registered in England and Wales.

Cash flow statement

Under section 246 of the Companies Act 1985 the company is classified as a small company and is exempt from the requirement to produce a cash flow statement.

Related party transactions

As the company is not trading there are no related party transactions requiring disclosure.

2 Directors' emoluments

None of the directors received any emoluments from the company for their services.

Broomco (1850) Limited

Notes to the financial statements for the period from incorporation on 19 May 1999 to 31 March 2000

3 Fixed asset investments

	Subsidiaries £
Cost or valuation at 19 May 1999	-
Transfer of investment in CPL Environmental Ltd from fellow subsidiary on 2 July 1999	1,171,078
Acquisition of Carbon Link Holdings Ltd on 5 July 1999	1,031,043
Conversion of intercompany loan to issued capital of CPL Environmental Ltd on 31 August 1999	3,000,000
At 31 March 2000	<u>5,202,121</u>
Amounts written off	
At 31 March 2000	<u>-</u>
Net book value	
At 31 March 2000	<u>5,202,121</u>

Name of undertaking	Nature of business	Proportion of nominal value of issued shares held %
Carbon Link Holdings Limited	Sale of activated carbon	100
CPL Environmental Limited	Water filtration products	100

All subsidiaries are incorporated in Great Britain. All shares held in subsidiary companies are £1 ordinary shares.

4 Debtors

	2000 £
Amounts falling due within one year	
Other debtors	1
Amounts due from own subsidiary companies	2,000,000
	<u>2,000,001</u>

5 Creditors: amounts falling due within one year

	2000 £
Accruals and deferred income	400,000
	<u>400,000</u>

Broomco (1850) Limited

Notes to the financial statements for the period from incorporation on 19 May 1999 to 31 March 2000

6 Creditors: amounts falling due after more than one year

	2000 £
Amounts owed to parent company	<u>4,925,941</u>

7 Deferred taxation

There is no potential liability for deferred taxation.

8 Called up share capital

	2000 £
Authorised	
7,490,000 'A' ordinary shares of 1p each	74,900
2,510,000 'B' ordinary shares of 1p each	<u>25,100</u>
	<u>100,000</u>
Allotted, called up and fully paid	
705,400 'A' ordinary shares of 1p each	7,054
1 'B' ordinary shares of 1p each	<u>-</u>
	<u>7,054</u>

On 29 June 1999 2 ordinary shares of £1 each issued to the original subscribers on the date of incorporation were transferred to CPL Industrial Services Limited for £2.

On 2 July 1999 1 ordinary share of £1 was issued to CPL Industrial Services Limited in exchange for the full issued capital of CPL Environmental Limited valued at £1,171,078.

By special resolution passed on 5 July 1999 the authorised capital was increased from 1,000 ordinary shares of £1 each to £100,000 subdivided into 7,490,000 'A' ordinary shares of 1p each and 2,510,000 'B' ordinary shares of 1p each. The 3 issued shares of £1 each were subdivided and reclassified as 300 'A' ordinary shares of 1p each.

On 5 July 1999 705,100 'A' ordinary shares of 1p each were issued to CPL Industrial Services Limited for £705,100.

On 5 July 1999 1 'B' ordinary share of 1p was issued to Carbotech Aktivkohlen GmbH for £1. This 1 'B' share entitles Carbotech Aktivkohlen GmbH to an 18% interest in the company.

Broomco (1850) Limited

Notes to the financial statements for the period from incorporation on 19 May 1999 to 31 March 2000

The 'A' and 'B' shares are entitled to 82% and 18% respectively of profits available for distribution and the return of assets whether in a winding up or reduction of capital or otherwise. The voting rights of the 'A' and 'B' shares are 74.9% and 25.1% respectively.

9 Movement on reserves

	2000 Share premium account £	2000 Profit and loss account £
Opening balance	-	-
Arising on issue of shares in period	1,869,127	-
Retained profit for the period	-	-
Closing balance	<u>1,869,127</u>	<u>-</u>

10 Movement in shareholders funds

	2000 £
At 19 May 1999	-
Nominal value of shares issued in the period	7,054
Share premium on shares issued in the period	<u>1,869,127</u>
	<u>1,876,181</u>

11 Capital commitments

There were no capital commitments at 31 March 2000.

12 Contingent liabilities

	2000 £
Amount of guarantee in respect of cross-guarantee on bank overdraft of subsidiaries within the group	<u>42,172,579</u>

13 Ultimate parent company

The directors regard CPL Industries Limited as the ultimate parent company. The holding company is preparing accounts for the year ended 31 March 2000. According to the register kept by the company, CPL Industries Limited has a 82% interest in the equity capital of Broomco (1850) Limited at 31 March 2000. Copies of the parents consolidated financial statements may be obtained from The Secretary, CPL Industries Limited, Mill Lane, Wingerworth, Chesterfield, Derbyshire, S42 6NG.