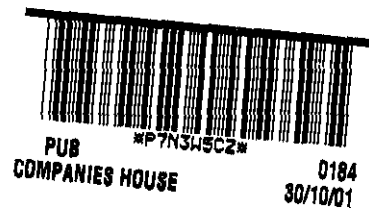


Thomas Matthews (Pumps) Ltd
Directors' report and financial
statements

Registered number 920001

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 and business review

During the above financial year the company has not traded and there has been no income nor expenditure. The only change in the company's position arises from the formal waiver of the intra-group debtor.

The directors do not expect the company to trade in the next financial year.

Directors and directors' interests

The directors who have served during the year were as follows:

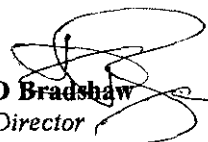
MC Heap
D Bradshaw

The directors who held office at the end of the financial year had no interests in the ordinary shares of the company.

Auditors

In accordance with Section 385 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


D Bradshaw
Director

Whitehouse Street
Jack Lane
Leeds
LS10 1AD

2001

11/09/2001

Statement of 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 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;
- 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 maintaining 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.



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Neville Street
Leeds
LS1 4DW
United Kingdom

Report of the auditors to the members of Thomas Matthews (Pumps) Limited

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, 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 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.

KPMG

KPMG
Chartered Accountants
Registered Auditors

11 September 2001

Profit and loss account

for the year ended 31 December 2000

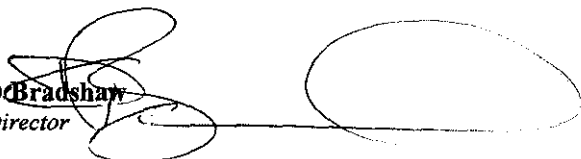
	<i>Note</i>	2000 £	1999 £
Net operating expense - exceptional	3	-	(33,109)
Loss on activities before taxation		-	(33,109)
Tax on ordinary activities	4	-	-
Loss for financial year		-	(33,109)
Retained loss brought forward		(436,796)	(403,687)
Retained loss carried forward		(436,796)	(436,796)

The company has no gains or losses for the year other than those recognised through the profit and loss account.

Balance sheet
 at 31 December 2000

	Note	£	2000 £	£	1998 £
Capital and reserves					
Equity share capital		6,000		6,000	
Non-equity share capital		429,167		429,167	
Called up share capital	5		435,167		435,167
Capital reserve			1,629		1,629
Profit and loss account	6		(436,796)		(436,796)
Shareholders' funds					
Equity			-		-
Non-equity			-		-
	7		-		-

These financial statements were approved by the board of directors on 11/09/2001 and were signed on its behalf by:


 D. Bradshaw
 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.

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Financial Reporting Standard 1

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small company which is entitled, under sections 246 to 249 of the Companies Act 1985, to file abbreviated accounts with the Registrar of Companies.

2 Remuneration of directors

The directors did not receive any remuneration in the current or previous year.

3 Exceptional items

	2000 £	1999 £
Waiver of intra-group debt	-	33,109

4 Tax on ordinary activities

	2000 £	1999 £
UK corporation tax charge in year	-	-

Notes (continued)

5 Called up share capital

	2000 £	1999 £
<i>Authorised share capital</i>		
Equity share capital:		
Ordinary shares of £1 each	6,000	6,000
Non-equity share capital:		
Redeemable ordinary shares of £1 each	434,000	434,000
	440,000	440,000
<i>Share capital allotted, called up and fully paid</i>		
Equity share capital:		
Ordinary shares of £1 each	6,000	6,000
Non-equity share capital:		
Ordinary shares of £1 each redeemable at par on 22 July 1999	429,167	429,167
	435,167	435,167

Non-equity share rights

As to income, capital and voting the redeemable shares rank pari passu in all respects with ordinary shares. The shares were redeemable on 22 July 1999 subject to the company having distributable reserves.

6 Reserves

	Profit and loss account £
At beginning of year	(436,796)
Result for financial year	-
At end of year	(436,796)

7 Movement in shareholders' funds

	2000 £	1999 £
Loss for financial year	-	(33,109)
Shareholders' funds brought forward	-	33,109
Shareholders' funds carried forward	-	-

Notes *(continued)*

8 Ultimate parent company

The company is a subsidiary undertaking of Verder Limited, a company registered in England and Wales. The financial statements of the company can be obtained from Companies House.

The ultimate parent company of the group to which the company belongs is Verder Holding BV, a company registered in The Netherlands. The largest and smallest group in which the results of the company are consolidated is that headed by Verder Holding BV. The financial statements of the company can be obtained from their registered office:

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NL 3450 AA Vleuten
The Netherlands