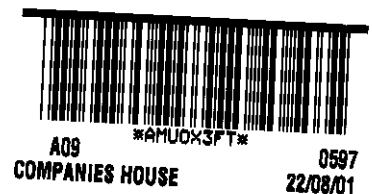


**OM Pimespo (UK) Limited**

**Directors' report and consolidated  
financial statements**

**Registered number 1131703**

**For the year ended 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 activities

The principal activity relates to the importation, hire and sale of fork lift trucks and related parts.

### Business review

The results for the year are set out on page 4 to these financial statements.

### Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend.

The loss for the year retained in the company is £1,158,834 (1999: £1,076,336).

### Directors and directors' interests

The directors who held office during the year were as follows:

J Phillips  
D Clausen  
U Kleine  
P Platt

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company or any group companies.

### Post balance sheet event

On 11 February 2001, the company sold its freehold property at the Aldridge site for £1.4 million, representing a profit of £0.8 million over its book value in these financial statements. The sale is subject to contract which is due to be exchanged on or before 1 July 2001.

### Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG will continue in office.

By order of the board



P Simmonds  
Secretary

Kingsclere Road  
Basingstoke  
Hampshire

20 March 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 these 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.



2 Cornwall Street  
Birmingham  
B3 2DL  
United Kingdom

## **Report of the auditors to the members of OM Pimespo (UK) Limited**

We have audited the financial statements on pages 4 to 13.

### **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 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.

**KPMG**  
*Chartered Accountants*  
*Registered Auditors*

20 March 2001

**Profit and loss account**  
*for the year ended 31 December 2000*

	<i>Note</i>	2000 £	1999 £
<b>Turnover from continuing operations</b>	2	6,810,834	7,135,904
Cost of sales		(5,764,479)	(6,048,281)
<b>Gross profit</b>		1,046,355	1,087,623
Distribution costs		(1,476,547)	(1,348,699)
Administration expenses		(254,120)	(384,627)
Other operating income		-	1,400
<b>Operating loss from continuing operations</b>		(684,312)	(644,303)
Interest receivable and similar income	6	669	6,394
Interest payable and similar charges	7	(475,191)	(438,427)
<b>Loss on ordinary activities before taxation</b>	3	(1,158,834)	(1,076,336)
Tax on loss on ordinary activities	8	-	-
<b>Retained loss for the financial year</b>		(1,158,834)	(1,076,336)
Retained loss brought forward		(1,730,206)	(653,870)
<b>Retained loss carried forward</b>		(2,889,040)	(1,730,206)

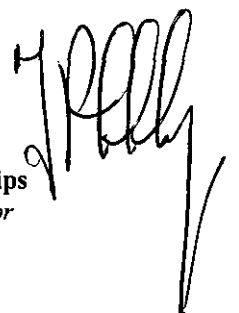
There are no recognised gains or losses in either the current or preceding year other than the results shown above.

There is no difference between the results reported as above and those which would be reported on a historical cost basis.

**Balance sheet**  
*at 31 December 2000*

	Note	£	2000	£	£	1999	£
<b>Fixed assets</b>							
Intangible assets	9		369,997			429,997	
Tangible assets	10		6,646,678			6,503,059	
			7,016,675			6,933,056	
<b>Current assets</b>							
Stocks	11	2,480,057			2,282,709		
Debtors	12	1,232,054			1,168,464		
Cash in hand		760			732		
			3,712,871		3,451,905		
<b>Creditors: amounts falling due within one year</b>	13	(4,203,719)			(2,419,034)		
<b>Net current (liabilities)/assets</b>			(490,848)			1,032,871	
<b>Total assets less current assets</b>			6,525,827			7,965,927	
<b>Creditors: amounts falling due after one year</b>	14		(5,314,867)			(5,596,133)	
<b>Net assets</b>			1,210,960			2,369,794	
<b>Capital and reserves</b>							
Called up share capital	16		4,100,000			4,100,000	
Profit and loss account			(2,889,040)			(1,730,206)	
<b>Equity shareholders' funds</b>	18		1,210,960			2,369,794	

These financial statements were approved by the board of directors on 20 March 2001 and were signed on its behalf by:

  
**J Phillips**  
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.

The company is exempt by virtue of S248 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

#### *Cash flow statement*

Under Financial Reporting Standard 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Buildings	-	1% straight line
Hire fleet	-	12.86 - 25% straight line
Fixtures, fittings, plant, machinery, motor vehicles and computer equipment	-	25% straight line

#### *Goodwill*

Goodwill, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets of the business acquired, is capitalised and amortised over a period of ten years.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *Leases - Lessee accounting*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Leases - Lessor accounting*

Assets leased to customers under operating leases are recorded as fixed assets and rentals are credited to the profit and loss account on a straight line basis.



## Notes (continued)

### 1 Accounting policies (continued)

#### *Pension costs*

The company contributes to three pension schemes, one of which provides benefits based on final pensionable pay.

Defined benefits scheme: The assets of the schemes are held separately from those of the company in administered funds. The cost is calculated by qualified actuaries. Variations from regular cost are allocated over the expected remaining service lives of current employees in the scheme.

Money purchase schemes: The amounts charged against profits represent the contributions payable to the schemes in respect of the accounts period.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value.

#### *Sale of trucks for only part of their lives*

In accordance with FRS5, Reporting the substance of transactions, when trucks are sold but a commitment is given to repurchase them at a set future date, the discounted liability to repurchase is accrued. The residual interest in the trucks is shown after providing for its carrying cost. Profit relating to the residual interest is deferred until the residual interest is sold. If a loss on eventual repurchase and sale is anticipated, provision is made immediately when recognised.

#### *Deferred taxation*

Deferred taxation is only provided in respect of timing differences to the extent that it is probable, in the opinion of the directors, that liabilities will crystallise in the foreseeable future.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods to customers during the year.

### 2 Analysis of turnover and loss on ordinary activities before taxation

Turnover and loss on ordinary activities before taxation is wholly attributable to the principal activity of the company.

Turnover analysed by geographical market is as follows:

	2000 £	1999 £
<i>By geographical market</i>		
United Kingdom	6,646,472	6,757,068
Eire	40,561	32,875
European Community	123,801	345,961
	<hr/> 6,810,834 <hr/>	<hr/> 7,135,904 <hr/>

## Notes (continued)

### 3 Loss on ordinary activities before taxation

	2000 £	1999 £
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charging/(crediting)</i>		
Auditors' remuneration:		
Audit	16,500	16,000
Other services	1,400	1,250
Depreciation of tangible fixed assets:		
Owned	1,227,023	1,026,014
Leased	98,997	172,108
Amortisation of intangible fixed assets:		
Goodwill	60,000	60,000
Operating lease rentals:		
Land and buildings	66,885	62,388
Other	292,718	258,605
Foreign exchange gains	115,736	120,268
Income from operating leases	(3,027,832)	(2,883,408)
	<hr/>	<hr/>

### 4 Remuneration of directors

	2000 £	1999 £
Emoluments	110,798	52,163
Company contributions to money purchase pension scheme	9,773	6,095
	<hr/>	<hr/>
	120,571	58,258
	<hr/>	<hr/>
Number of directors who are:		
Members of money purchase pension scheme	2	1
	<hr/>	<hr/>

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2000 £	1999 £
Distribution	101	108
Administration	5	6
	<u>106</u>	<u>114</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	2,060,142	1,953,837
Social security costs	187,763	177,660
Other pension costs (see note 17)	93,066	71,994
	<u>2,340,971</u>	<u>2,203,491</u>

### 6 Interest receivable and similar income

	2000 £	1999 £
Interest receivable on dealer loans	<u>669</u>	<u>6,394</u>

### 7 Interest payable and similar charges

	2000 £	1999 £
Finance charges payable in respect of finance leases and similar hire purchase contracts	59,452	103,505
On loans to group undertakings	415,739	334,922
	<u>475,191</u>	<u>438,427</u>

### 8 Taxation

There is no charge to taxation for the current year as a result of taxable losses.

## Notes (continued)

### 9 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At beginning and end of year	599,997
<b>Amortisation</b>	
At beginning of year	170,000
Charge for year	60,000
At end of year	230,000
<b>Net book value</b>	
At 31 December 2000	369,997
At 31 December 1999	429,997

### 10 Tangible fixed assets

	Freehold property £	Hire fleet £	Plant & machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>							
At beginning of year	643,304	7,971,778	26,928	60,461	100,879	223,378	9,026,728
Additions	-	1,571,039	6,382	1,080	28,987	11,300	1,618,788
Disposals	-	(392,992)	-	-	(73,408)	-	(466,400)
At end of year	643,304	9,149,825	33,310	61,541	56,458	234,678	10,179,116
<b>Depreciation</b>							
At beginning of year	18,910	2,197,211	14,380	44,560	95,003	153,605	2,523,669
Charge for year	6,675	1,254,676	6,940	8,864	8,616	40,249	1,326,020
On disposals	-	(243,859)	-	-	(73,392)	-	(317,251)
At end of year	25,585	3,208,028	21,320	53,424	30,227	193,854	3,532,438
<b>Net book value</b>							
At 31 December 2000	617,719	5,941,797	11,990	8,117	26,231	40,824	6,646,678
At 31 December 1999	624,394	5,774,567	12,548	15,901	5,876	69,773	6,503,059

Included in the total net book value is £314,755 (1999: £670,113) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £98,996 (1999: £172,108).

Hire fleet assets are all held for use in operating leases.

## Notes (continued)

### 11 Stocks

	2000 £	1999 £
Finished goods and goods for resale	2,130,605	1,947,579
Residual interest in trucks	349,452	335,130
	<u>2,480,057</u>	<u>2,282,709</u>

Residual interest in trucks is the retained interest in trucks previously sold but for which there is a commitment to repurchase. The assets will be repurchased over the next five years.

### 12 Debtors

	2000 £	1999 £
Trade debtors	1,044,649	1,015,417
Amounts owed by group undertakings	35,225	30,639
Other debtors	11,189	22,347
Prepayments	140,991	100,061
	<u>1,232,054</u>	<u>1,168,464</u>

### 13 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank overdraft	28,498	-
Trade creditors	289,216	232,100
Amounts owed to group undertakings	3,466,716	1,859,039
Obligations under finance leases and similar hire purchase contracts	115,910	86,579
Other taxes and social security	190,674	187,195
Accruals	49,504	40,399
Obligations for the repurchase of trucks	63,201	13,722
	<u>4,203,719</u>	<u>2,419,034</u>

## Notes (continued)

### 14 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Amounts owed to group undertakings	5,000,000	5,000,000
Obligations under finance leases and similar hire purchase contracts	28,616	274,725
Obligations for the repurchase of trucks	286,251	321,408
	<hr/>	<hr/>
	5,314,867	5,596,133
	<hr/>	<hr/>

The group have confirmed that the amount of the loan above does not fall due for repayment within one year. Interest is charged at LIBOR plus 0.05%.

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	2000 £	1999 £
Within one year	115,910	86,579
In the second to fifth year	28,616	274,725
	<hr/>	<hr/>
	144,526	361,304
	<hr/>	<hr/>

### 15 Deferred taxation

No provision has been made for deferred taxation. Unprovided deferred taxation is as follows:

	2000 £	1999 £
Accelerated capital allowances	501,000	430,000
Losses	(469,000)	(430,000)
	<hr/>	<hr/>
	32,000	-
	<hr/>	<hr/>

Available losses will be utilised for Group relief purposes.

### 16 Called up share capital

	2000 £	1999 £
<i>Authorised</i>		
Ordinary shares of £1 each	4,100,000	4,100,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	4,100,000	4,100,000
	<hr/>	<hr/>

## Notes (continued)

### 17 Pension scheme

The company operates three pension schemes: the Lansing Linde defined benefit and money purchase pension schemes and the OM Pimespo money purchase scheme.

Details of the Linde pension schemes can be found in the statutory accounts of Lansing Linde Limited which are publicly available. The pension cost charge for the period represents contributions payable by the company to the funds and amounted to £93,066 (1999: £71,994).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 18 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Loss for the year	(1,158,834)	(1,076,336)
Issue of shares	-	1,600,000
Net (reduction in)/addition to shareholders' funds	(1,158,834)	523,664
Opening shareholders' funds	2,369,794	1,846,130
Closing shareholders' funds	1,210,960	2,369,794

### 19 Commitments

At 31 December 2000, the company was committed to make the following payments during the next year in respect of operating leases:

	2000	1999
	Land and buildings £	Plant and machinery £
Leases which expire:		
Within one year	26,778	50,750
One to two years	-	11,208
Two to five years	-	-
	29,489	55,912
	129,645	50,124
	65,026	94,395

### 20 Ultimate parent company

The ultimate parent company is Linde Aktiengesellschaft, a company incorporated in Germany.

The consolidated accounts for this company are available to the public and may be obtained from the registered office of OM Pimespo (UK) Limited.

### 21 Related party transactions

The directors have taken advantage of the exemption in Financial Reporting Standard Number 8, paragraph 3(c), and have not disclosed related party transactions with parent and fellow subsidiary undertakings.

### 22 Post balance sheet event

On 11 February 2001, the company sold its freehold property at the Aldridge site for £1.4 million, representing a profit of £0.8 million over its book value in these financial statements. The sale is subject to contract which is due to be exchanged on or before 1 July 2001.