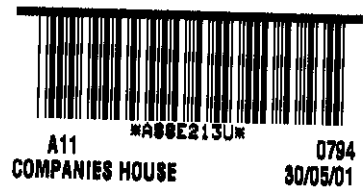


VEXCOLT (UK) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2000

Company number: 1955821



VEXCOLT (UK) LIMITED

AUDITORS' REPORT

**AUDITORS' REPORT TO VEXCOLT (UK) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial accounts set out on pages 3 to 6, together with the full accounts of the company for the year ended 31 March 2000 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Act to the Register of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the full accounts, that the company is entitled to deliver abbreviated accounts and the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 25 May 2001 we reported as auditors to the shareholders of the company on the financial statements for the year ended 31 March 2000 prepared under Section 226 of the Companies Act 1985, and our report was as follows:

"We were appointed as auditors to the company on 10 May 2001. We have audited the financial statements of Vexcolt (UK) Limited for the year ended 31 March 2000 on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

VEXCOLT (UK) LIMITED

AUDITORS' REPORT

AUDITORS' REPORT TO VEXCOLT (UK) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985
(continued)

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 Report of the Director 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 director's remuneration and transactions with the company is not disclosed.

We read the Report of the Director and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit requires 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 director 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 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. However the company was under threat of prosecution by the Register of Companies for late filing of accounts and we have had only a limited time to carry out normal audit procedures. The scope of our work has therefore been restricted because of time limitations and restricted our gathering of audit evidence.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Prior Webb & Nicholls

Prior Webb & Nicholls
Chartered Accountants & Registered Auditors
7b High Street
Bramley
Guildford
Surrey
GU5 0HB

Date 25 May 2001

VEXCOLT (UK) LIMITED

ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2000

	Notes	31.3.2000	31.3.1999
		£	£
FIXED ASSETS			
Tangible assets	3	34,343	89,329
CURRENT ASSETS			
Stocks		60,348	102,546
Debtors		607,026	625,936
Debts subject to financing arrangements	99,985		121,870
Less:non returnable amounts received	(39,487)	60,498	(65,516) 56,354
Cash at bank and in hand		-	417
		727,872	785,253
CREDITORS:amounts falling due within one year		690,609	725,814
NET CURRENT ASSETS		37,263	59,439
TOTAL ASSETS LESS CURRENT LIABILITIES		71,606	148,768
CREDITORS:amounts falling due after more than one year		4,868	13,946
		66,738	134,822
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account		66,638	134,722
		66,738	134,822
		=====	=====

The financial statements have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.

Director



Formally approved on 25 MAY 2001

VEXCOLT (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
AS AT 31 MARCH 2000**

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost convention, and in accordance with applicable Accounting Standards.

DEPRECIATION

Depreciation is provided on all tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and equipment	25% on a reducing balance basis per annum
Office equipment	25% on a reducing balance basis per annum
Motor vehicles	25% on a reducing balance basis per annum

STOCKS

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Raw materials - purchase cost on a first in first out basis

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

DEFERRED TAXATION

Deferred taxation is provided under the liability method on all timing differences to the extent that it is probable that the liability will crystallise in the foreseeable future.

LEASES AND HIRE PURCHASES

Assets acquired under hire purchase contracts are capitalised and included within fixed assets. Such assets are depreciated on a written down value basis over the asset's useful life in accordance with the company's normal depreciation policy. Liabilities under hire purchase contracts, less interest not yet charged, are included in creditors. Interest is charged to the profit and loss account over the term of each contract on a straight line basis.

The aggregate amount of finance charges for the period under hire purchase contracts was £2380 (1999 - £6177).

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

PENSION SCHEME

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independantly administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to NIL (1999 - £2561).

VEXCOLT (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
AS AT 31 MARCH 2000**

2. TURNOVER

Turnover represents the invoiced value of goods sold and services provided, stated net of value added tax.

The turnover and pre-tax loss are attributable to one activity, that of the manufacture and supply of expansion joints to the construction industry, and arose wholly within the United Kingdom.

3. TANGIBLE FIXED ASSETS

	Plant and equipment	Office equipment	Motor vehicles	Total
COST:				
As 31 March 1999	119,748	15,194	45,359	180,301
Additions	1,000	-	12,230	13,230
Disposals	80,849	-	23,609	104,458
	-----	-----	-----	-----
At 31 March 2000	39,899	15,194	33,980	89,073
	-----	-----	-----	-----
DEPRECIATION:				
As 31 March 1999	58,285	7,055	25,632	90,972
Charge for the year	4,122	2,035	5,291	11,448
Released on disposal	34,874	-	12,816	47,690
	-----	-----	-----	-----
At 31 March 2000	27,533	9,090	18,107	54,730
	-----	-----	-----	-----
NET BOOK AMOUNTS:				
At 31 March 2000	12,366	6,104	15,873	34,343
	=====	=====	=====	=====
At 31 March 1999	61,643	8,139	89,329	89,329
	=====	=====	=====	=====

In respect of assets capitalised under hire purchase contracts included above:

NET BOOK AMOUNTS:				
At 31 March 2000	-	-	10,125	10,125
	=====	=====	=====	=====
At 31 March 1999	43,720	-	5,271	48,991
	=====	=====	=====	=====

4. SHARE CAPITAL

	2000 £	1999 £
Authorised		
Ordinary shares of £1 each	25,000	25,000
	=====	=====
Allotted, issued and fully paid		
Ordinary shares of £1 each	100	100
	=====	=====

VEXCOLT (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS AS AT 31 MARCH 2000

5. CAPITAL COMMITMENTS

	2000	1999
	£	£
The company had the following commitments at 31 March 2000:		
Contracted for	-	14,523
	=====	=====

6. RELATED PARTY TRANSACTIONS

Stock items purchased through Vexcolt (UK) Limited, during the year of £106,000 (1999 - £555,315) were transferred to the sister company Vexcolt International Limited. This is to reflect the cost price goods transferred to Vexcolt International Limited. Vexcolt International Limited and Vexcolt (UK) Limited are subsidiaries of Vexcolt Holdings Limited.

Also during the year management charges of £83,000 (1999 - £168,000) were due to Vexcolt Holdings Limited.

The following intercompany balance remain at the year end:

	2000	1999
Vexcolt Holdings Limited (Parent Company)	£559,959 cr	£502,525
Vexcolt International Limited	£585,177 dr	£555,307

7. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Vexcolt Holdings Limited, a company registered in England.