Lansing Group Limited

Directors' report and financial statements

Registered number 2122421

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 company was formed to co-ordinate the activities of the subsidiaries of Linde Holdings Limited involved in the materials handling industry.

Parent company

The company is a wholly owned subsidiary of Linde Holdings Limited, and the ultimate parent company is Linde AG, a company incorporated in Germany.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend on the equity share capital (1999:£nil), and propose that the loss for the year be added to the deficit on reserves brought forward.

Future developments

The company and its subsidiaries will continue to develop their businesses in line with current activities.

Subsidiaries

The company's subsidiaries are listed in note 6 of the financial statements.

Directors and directors' interests

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

HG Haeseler
Dr KD Gröhn

None of the directors or families had any beneficial interests in the shares of the company or of its subsidiaries at the beginning or the end of the financial year.

Auditors

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

By order of the board

PJ Simmonds
Secretary

Kingsclere Road
Basingstoke
Hampshire
RG21 6XJ

10 July 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 period. 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 keeping 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.

KPMG

Arlington Business Park
Theale
Reading RG7 4SD
United Kingdom

Report of the auditors to the members of Lansing Group Limited

We have audited the financial statements on pages 4 to 9.

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

KPMG

KPMG
Chartered Accountants
Registered Auditors

5 October 2001

Profit and loss account

for the year ended 31 December 2000

	Note	**2000**	1999
		£	£
Other operating income	*2*	**-**	17,357
Operating expenses	*3*	**15,834**	-
Profit/(loss) on ordinary activities before and after taxation		**(15,834)**	17,357
Retained deficit brought forward		**(9,144,508)**	(9,161,865)
Retained deficit at 31 December		**(9,160,342)**	(9,144,508)

The company has no recognised gains or losses other than the loss for the year which was entirely derived from continuing operations.

Balance sheet
at 31 December 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Investments	*6*		**734,935**		734,935
Current assets					
Debtors	*7*	**6,933,285**		6,949,119	
Creditors: amounts falling due within one year	*8*	**(780,199)**		(780,199)	
Net current assets					
Due within one year		**6,153,086**		5,982,422	
Debtors due after one year		**-**		186,498	
Total net current assets			**6,153,086**		6,168,920
Net assets			**6,888,021**		6,903,855
Capital and reserves					
Called up share capital	*9*		**16,048,363**		16,048,363
Profit and loss account			**(9,160,342)**		(9,144,508)
Total shareholders' funds	*10*		**6,888,021**		6,903,855

These financial statements were approved by the board of directors on 10 July 2001 and were signed on its behalf by:

KD Gröhn
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 under the historical cost accounting rules.

The financial statements present information about the individual company and not about its group because it is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements and to deliver them to the Registrar of Companies.

Cashflow 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.

Related party transactions

As 90% or more of the company's voting rights are controlled by the group headed by Linde AG, the company is exempt from the requirement of Financial Reporting Standard 8 to disclose related party transactions with other members of the group.

Investments

Investments in subsidiary undertakings are stated at cost, less amounts provided if there has been a permanent diminution in value. Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. 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.

Goodwill

Purchased goodwill (both positive and negative) arising on business combination in respect of acquisitions before 1 January 1998, when FRS 10 *Goodwill and intangible assets* was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised and is amortised to nil by equal annual instalments over its estimated useful life.

Notes *(continued)*

Accounting policies (continued)

Taxation

The charge for taxation is based on the result 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.

2 Other operating income

	2000 £	1999 £
Profit on exchange	-	17,357

3 Operating expenses

	2000 £	1999 £
Loss on exchange	**15,834**	-

4 Employees

No persons were employed during the year, and the directors received no emoluments for their services.

5 Taxation

The company has estimated taxable profits of £nil (1999: *£nil)* as the company's operating income is non-taxable.

6 Investments

	2000 £	1999 £
Shares in group undertakings at cost:		
At 1 January	**734,935**	1,414,935
Acquisitions	-	28,744,937
Disposals	-	(29,424,937)
At 31 December	**734,935**	734,935

Notes *(continued)*

Investments (continued)

The proportion of nominal value of ordinary issued shares held is:

Held Directly	***Percentage***	***Principal Activities***
Incorporated and registered in England		
Bonser Engineering Ltd	100%	Non trading
Lansing Ltd	100%	Non trading
Lansing Bagnall Ltd	100%	Non trading
Incorporated in Australia		
Linde Materials Handling Pty Ltd	3.5%	Sale and service of materials handling equipment

Included in investments is Linde Materials Handling Pty Limited, whose underlying net assets are significantly below the cost of investment. Linde AG, the ultimate holding company have agreed to purchase Linde Materials Handling Pty Limited from Lansing Group Limited at its current carrying value.

7 Debtors

	2000	1999
	£	£
Amounts owed by group undertakings	**6,933,285**	6,949,119

8 Creditors: amounts falling due within one year

	2000	1999
	£	£
Amounts owed to subsidiary undertakings	**780,199**	780,199

Notes *(continued)*

9 Share capital

	2000 £	1999 £
Authorised		
Ordinary shares of £1 each	**10,000,000**	10,000,000
Deferred shares of £1 each	**9,500,000**	9,500,000
	19,500,000	19,500,000

	2000 £	1999 £
Allotted, issued & fully paid		
Ordinary shares of £1 each	**6,548,363**	6,548,363
Deferred shares of £1 each	**9,500,000**	9,500,000
	16,048,363	16,048,363

The deferred shares do not have any rights to dividends and on a distribution of assets on a winding-up or other return of capital are entitled to receive a return of capital (limited to the nominal value of the shares) after a return of capital to ordinary shareholders. The deferred shares do not carry any voting rights.

10 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Shareholders' funds at start of year	**6,903,855**	(2,613,502)
Issue of deferred shares	**-**	9,500,000
Total recognised gains and losses for the financial year	**(15,834)**	17,357
Shareholders' funds at end of year	**6,888,021**	6,903,855

11 Ultimate holding company

The financial statements of the company are consolidated only into the financial statements of Linde AG, the ultimate holding company which is incorporated in Germany.

The consolidated financial statements of Linde AG are available to the public and copies can be obtained from: The Company Secretary, Linde Holdings Limited, Kingsclere Road, Basingstoke, Hampshire, RG21 6XJ.