

Lansing Group Limited

**Directors' report and financial
statements**

Registered number 2122421

31 December 2002



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

Principal activities

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

Financial results

The results for the year are given in the profit and loss account on page 4.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend (2001:£nil), and propose that the profit for the year be added to the deficit on reserves brought forward.

Directors and directors' interests

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

HG Haeseler (Resigned 11 September 2002)

Dr KD Gröhn

KH Birkner (Appointed 24 March 2003)

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.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Auditors

Our auditors, KPMG, have indicated to the directors that their business has transferred to a limited liability partnership, KPMG LLP. Accordingly KPMG resigned as auditors and the directors thereupon appointed KPMG LLP to fill the vacancy arising.

By order of the board



PJ Simmonds
Secretary

Kingsclere Road
Basingstoke
Hampshire
RG21 6XJ

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.



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United Kingdom

Independent auditors' report to the members of Lansing Group Limited

We have audited the financial statements on pages 4 to 10.

The report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the other opinions we have formed.

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 1985. 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

*Chartered Accountants
Registered Auditors*

10 November 2003

Profit and loss account
for the year ended 31 December 2002

	<i>Note</i>	2002 £	2001 £
Operating expenses	2	893	9,291
Operating loss		(893)	(9,291)
Other interest receivable and similar income	4	257,884	314,178
Profit on ordinary activities before taxation		256,991	304,887
Taxation on profit on ordinary activities	5	(74,578)	(94,253)
Profit on ordinary activities after taxation		182,413	210,634
Retained deficit brought forward		(8,949,708)	(9,160,342)
Retained deficit at 31 December		(8,767,295)	(8,949,708)

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 2002

	Note	2002	2001
		£	£
Fixed assets			
Investments	6	734,935	734,935
Current assets			
Debtors	7	6,815,162	6,558,172
Creditors: amounts falling due within one year	8	(269,029)	(194,451)
Net current assets		<u>6,546,133</u>	<u>6,363,721</u>
Net assets		<u><u>7,281,068</u></u>	<u><u>7,098,656</u></u>
Capital and reserves			
Called up share capital	9	16,048,363	16,048,363
Profit and loss account		(8,767,295)	(8,949,708)
Total shareholders' funds	10	<u><u>7,281,068</u></u>	<u><u>7,098,655</u></u>

These financial statements were approved by the board of directors on 24 October 2003 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, on the grounds that its parent company is incorporated under the law of a member state of the European Economic Community, and prepares consolidated accounts which are publicly available, and can be obtained from the address given in note 11.

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.

Related party transactions

As 90% or more of the company's voting rights are controlled by the group headed by Linde AG, and the company is consolidated within the publicly available accounts of 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 any impairment 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 in respect of acquisitions before 1 January 1998 was not previously carried in the balance sheet of the company, but has been eliminated from the accounts immediately following an acquisition, against reserves. When a subsequent disposal occurs, any related goodwill previously written off to reserves would be written back through the profit and loss account as part of the profit or loss on disposal.

Goodwill and negative goodwill arising on acquisitions since 1 July 1998 is capitalised and amortised over its estimated useful economic life.

Notes (continued)

1 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. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2002 £	2001 £
Loss on foreign exchange	893	9,291

3 Employees

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

4 Interest receivable and similar income

	2002 £	2001 £
Group interest receivable	257,884	314,178

5 Taxation on profit on ordinary activities

Analysis of charge in period

	2002 £	2001 £
<i>UK corporation tax</i>		
Current tax on income for the period	77,365	94,253
Adjustments in respect of prior periods	(2,787)	-
Tax on profit on ordinary activities	74,578	94,253

Notes (continued)

5 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2001: higher) than the standard rate of corporation tax in the UK 30% (2001: 30%). The differences are explained below.

	2002 £	2001 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	256,991	304,887
Current tax at 30% (2001: 30%)	77,097	91,466
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	2,787
Other timing differences	268	-
Adjustments in respect of prior periods	(2,787)	-
Total current tax charge (see above)	74,578	94,253

6 Investments

	2002 £	2001 £
<i>Shares in group undertakings at cost:</i>		
At beginning and end of year	734,935	734,935

Notes (continued)

6 Investments (continued)

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

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

7 Debtors

	2002 £	2001 £
Amounts owed by group undertakings	6,815,162	6,558,172

Amounts owed by group undertakings have no fixed repayment date.

8 Creditors: amounts falling due within one year

	2002 £	2001 £
Amounts owed to subsidiary undertakings	269,029	100,198
Taxation	-	94,253
	269,029	194,451

Notes (continued)

9 Share capital

	2002 £	2001 £
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
	2002 £	2001 £
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

	2002 £	2001 £
Shareholders' surplus at start of year	7,098,655	6,888,021
Total recognised gains and losses for the financial year	182,413	210,634
Shareholders' surplus at end of year	7,281,068	7,098,655

11 Ultimate holding company

The company is a wholly owned subsidiary of Linde Holdings Limited.

The company's ultimate parent undertaking and controlling party is Linde AG, a company incorporated in Germany. The financial statements of the company are consolidated only into the financial statements of Linde AG.

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.