

WOEHNER (UK) LIMITED

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2000

DIRECTORS: F. Wohner Esq.
A. Piens Esq.,

SECRETARY: A. Piens Esq.,

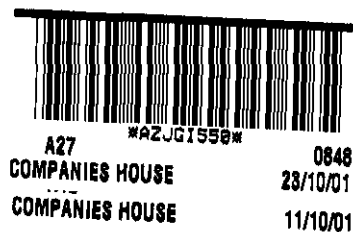
REGISTERED OFFICE: 99 Walter Road
Swansea
SA1 5QE

REGISTRATION NUMBER: 3096821

AUDITORS: Brace Whincup
Chartered Accountants and
Registered Auditors,
99, Walter Road,
Swansea.
SA1 5QE.

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2000.

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER, 2000.

The Directors submit their report, together with the accounts for the year ended 31st December, 2000.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of selling and distribution of electrical installation materials.

TRADING RESULT

The trading result for the period is set out on page 3.

DIRECTORS

The Directors who served throughout the period and their respective interest in the share capital of the Company throughout the period were as follows:-

	<u>Ordinary</u> <u>Shares of</u> <u>\$1 each</u>
F. Wohner Esq.	1
A. Piens Esq.	1

STATEMENT OF DIRECTORS DUTIES AND RESPONSIBILITIES

The directors have prepared the financial statements for the period in such manner as to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period. They have selected suitable accounting policies and have applied them consistently. They have made judgements and estimates which are reasonable and prudent. Accounting standards have been followed without material departure therefrom. The financial statements are prepared on a going concern basis. The directors have maintained proper accounting records which disclose with reasonable accuracy the financial position of the company at any time and the financial statements comply with the Companies Act 1985. The directors have safe guarded the assets of the company and have taken reasonable steps for the prevention and detection of fraud and other irregularities, none of which have been identified within the period under review.

AUDITORS

The Auditors, Brace Whincup, Chartered Accountants and Registered Auditors, have intimated their willingness to continue in office in accordance with Section 384 of the Companies Act 1988.

EVENTUAL OWNERSHIP

The company is wholly owned subsidiary of Wohner GMBH & Co. KG.

By Order of the Board

CHAIRMAN

-1-

WOEHNER (U.K.) LIMITED
REPORT OF THE AUDITORS TO THE MEMBERS OF WOEHNER (U.K.) LIMITED

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Accounting 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.

Fundamental Uncertainty

In our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning possible outcome of negotiations for additional finance being made available. The financial statements have been prepared on a going concern basis, validity of which depends upon future funding being available. The financial statements do not include any adjustments that would result from a failure to obtain funding. Details of the circumstances relating to the fundamental uncertainty are described in note 11. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December, 2000 and of its profit (loss) for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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BRACE WHINCUP
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

99 Walter Road
SWANSEA

WOEHNER (U.K.) LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2000.

	NOTE	2000 £	1999 £
TURNOVER	2	231,349	254,754
COST OF SALES		107,987	159,929
GROSS PROFIT (LOSS)		123,362	94,825
ADMINISTRATIVE EXPENSES		134,540	289,563
OTHER OPERATING EXPENSES		(44,916)	101,769
		89,624	391,332
OPERATING PROFIT (LOSS)	3	33,738	(296,507)
OTHER OPERATING INCOME		1	1,353
INTEREST PAYABLE		(53,330)	(45,357)
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(19,591)	(340,511)
TAXATION		-	-
PROFIT (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(19,591)	(340,511)
DIVIDENDS		-	-
PRIOR PERIOD ADJUSTMENT		(228)	-
		(19,819)	(340,511)
PROFIT (LOSS) BROUGHT FORWARD		(1,263,338)	(922,823)
PROFIT (LOSS) CARRIED FORWARD		£(1,283,157)	£(1,263,334)
		=====	=====

There are no other recognised gains or losses, other than the profit or loss as scheduled above.

There have not been any discontinued activities or acquisitions in the current or preceeding accounting period.

WOEHNER (UK) LIMITED

BALANCE SHEET AS AT 31ST DECEMBER, 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	5	5,075	26,910
CURRENT ASSETS			
Stock	1	35,504	66,520
Debtors	6	90,613	51,858
Cash at bank - Current		27,847	24,603
Deposit		58	57
Cash in hand		22	19
		154,044	143,057
CREDITORS: Amounts falling due within one year	7	935,673	1,000,630
CURRENT ASSETS LESS CURRENT LIABILITIES		(781,629)	(857,573)
TOTAL ASSETS LESS CURRENT LIABILITIES		(776,554)	£(826,145)
CREDITORS: amounts falling due after more than one year	8	(506,553)	(432,621)
NET ASSETS (LIABILITIES)		£(1,283,107)	(1,263,284)
CAPITAL AND RESERVES			
Called up share capital	9	50	50
Profit and loss account		(1,283,157)	(1,263,334)
		£(1,283,107)	(1,263,284)

STATEMENT OF THE DIRECTORS

These accounts were approved by the board of directors on and are signed on its behalf by:-

Director:
A. Piens Esq

Date: 28th February, 2001.....

WOEHNER (UK) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the historical cost convention.

b) Depreciation

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

Motor vehicles	-	25% per annum, straight line basis
Equipment	-	20% per annum, straight line basis
Fixtures and fittings	-	15% per annum, straight line basis

c) Stock

Stock is stated at the lower of cost and net realisable value.

d) Leased assets

Where assets are financed by finance leases, the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The future rental payments are shown as a liability. Interest is charged to the profit and loss account over the period of the lease in proportion to the balance of the capital outstanding. Rentals payable under operating leases are charged to the profit and loss account as incurred.

2. TURNOVER

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

3. OPERATING PROFIT

This is stated after charging:-

	2000	1999
Administrative expenses	£	£
Auditors remuneration	1,500	1,500
Depreciation	6,918	11,546
Directors' remuneration	-	-
	=====	=====
Directors' remuneration		
	2000	1999
	£	£
Salary	-	-
Pensions	-	-
	-----	-----
	£ -	£ -
	=====	=====

WOEHNER (UK) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2000 CONTINUED

4. EMPLOYEES

The average weekly number of employees during the year was made up as follows:-

	2000	1999
Office and management	5	5
General staff	1	1
	-----	-----
	6	6
	=====	=====

Staff costs during the year amounted to :

	2000	1999
	£	£
Wages and salaries	39,409	70,591
Social security costs	16,245	22,223
	-----	-----
	£55,654	£ 92,814
	=====	=====

5. TANGIBLE FIXED ASSETS

The following movements in fixed assets arose in the period:-

	Fixtures & fittings	Motor Vehicles	Plant & Machinery	Total
	£	£	£	£
COST				
As at 1st January, 2000	43,096	3,920	19,947	66,963
Additions	1,677	-	-	1,677
Disposals	(27,963)	-	(1,615)	(29,578)
	-----	-----	-----	-----
As at 31st December, 2000	16,810	3,920	18,332	39,062
	-----	-----	-----	-----
DEPRECIATION				
As at 1st January, 2000	20,537	3,919	15,597	40,053
Charge for the period	3,405	-	3,513	6,918
Disposals	(11,698)	-	(1,286)	(12,984)
	-----	-----	-----	-----
As at 31st December, 2000	12,244	3,919	17,824	33,987
	-----	-----	-----	-----
NET BOOK VALUE				
As at 31st December, 1999	£ 22,559	£ 1	£ 4,350	£26,910
	=====	=====	=====	=====
As at 31st December, 2000	£ 4,566	£ 1	£ 508	£ 5,075
	=====	=====	=====	=====

WOEHNER (UK) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2000 CONTINUED

6. DEBTORS

	2000	1999
	£	£
Trade	90,613	51,558
Other	-	300
Prepayments	-	-
	-----	-----
	£ 90,613	£ 51,858
	=====	=====

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Trade	28,535	22,811
Accruals	55,134	85,625
Wohner GmbH & Co. KG, Rodental (Germany)	67,805	17,313
Woehner France S.A., Roissy (France)	39,257	44,153
Woehner Holding GmbH, Vienna (Austria)	35,259	4,518
Lease	624	2,755
Other taxes and social security costs	778	11,621
Natwest business card	1,470	2,830
Vereinsbank bank overdraft - GBP	552,846	535,297
DM	153,965	273,707
	-----	-----
	935,673	1,000,630
	=====	=====

8. CREDITORS: AMOUNTS DUE AFTER ONE YEAR

Lease creditor amounts payable within two to five years:

Woehner Holding GmbH, Vienna (Austria):Loans	506,553	431,997
Lease	-	624
	-----	-----
	£506,553	£432,621
	=====	=====

9. CALLED UP SHARE CAPITAL

	Authorised	Issued and Fully Paid
Ordinary shares of £1 each	2000	50
	-----	-----
	1999	50
	-----	-----

10. COMPANY STATUS AND TAXATION

The Company is a close company within the meaning of the Finance Acts.

WOEHNER (U.K.) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2000

NOTE 13. GOING CONCERN

The company meets its day to day working capital requirements through an overdraft facility which, in common with all such facilities is repayable upon demand. We understand from the directors that the company will continue to operate within the facility currently agreed and within that which they expect will be agreed in January, 2001 when the company's bankers are due to consider reviewing the facility for a further year. The directors state that their views are based on their plans and on discussions with the company's bankers but that inherently there can be no certainty in relation to those views.

NOTE 14. RELATED PARTY TRANSACTIONS

Payments were made to the parent company Germany Wohner Holding GmbH, during the year to 31st December, 2000 in respect of the purchase of stock to the value of £93,180 (1999: £189,166). These payments have been offset against invoices raised by the parent company and the balance outstanding at 31st December, 2000 is illustrated in the accounts under note 7 as due to the parent company in the value of £595,120 (1999: £59,073)