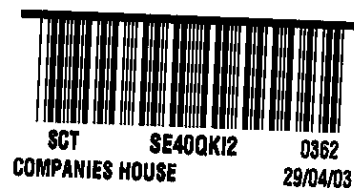


ROTECH ENGINEERING LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

Ritson Smith
Registered Auditors
Chartered Accountants
16 Carden Place
Aberdeen
AB10 1FX



ROTECH ENGINEERING LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2002**

DIRECTORS: Dr H Susman
K Stewart
D MacPherson

SECRETARY: K Stewart

REGISTERED OFFICE: Whitemyres Avenue
ABERDEEN
AB16 6HQ

REGISTERED NUMBER: 96773 (Scotland)

AUDITORS: Ritson Smith
Registered Auditors
Chartered Accountants
16 Carden Place
Aberdeen
AB10 1FX

SOLICITORS: Stronachs
34 Albyn Place
Aberdeen

ROTECH ENGINEERING LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO ROTECH ENGINEERING LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages three to six, together with the full financial statements of the company for the year ended 30 June 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

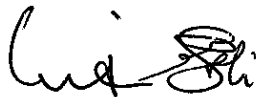
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements 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 financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 financial statements.

Opinion

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



Ritson Smith
Registered Auditors
Chartered Accountants
16 Carden Place
Aberdeen
AB10 1FX

Dated: 28/4/03

ROTECH ENGINEERING LIMITED**ABBREVIATED BALANCE SHEET
30 JUNE 2002**

	Notes	2002 £	2001 £
FIXED ASSETS:			
Tangible assets	2	1,726,937	1,570,527
CURRENT ASSETS:			
Stocks		113,932	-
Debtors		502,916	917,298
Cash at bank and in hand		5,353	24,583
		<u>622,201</u>	<u>941,881</u>
CREDITORS: Amounts falling due within one year		<u>425,866</u>	<u>801,926</u>
NET CURRENT ASSETS:		<u>196,335</u>	<u>139,955</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		1,923,272	1,710,482
CREDITORS: Amounts falling due after more than one year		(89,415)	(114,445)
PROVISIONS FOR LIABILITIES AND CHARGES:		<u>(34,201)</u>	<u>(34,201)</u>
		<u>£1,799,656</u>	<u>£1,561,836</u>
CAPITAL AND RESERVES:			
Called up share capital	3	300,000	300,000
Revaluation reserve		417,648	297,078
Other reserves		727,047	727,047
Profit and loss account		354,961	237,711
SHAREHOLDERS' FUNDS:		<u>£1,799,656</u>	<u>£1,561,836</u>

The notes form part of these financial statements

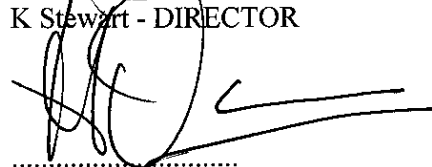
ROTECH ENGINEERING LIMITED

**ABBREVIATED BALANCE SHEET
30 JUNE 2002**

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

ON BEHALF OF THE BOARD:


.....
K Stewart - DIRECTOR


.....
Dr H Susman - DIRECTOR

Approved by the Board on 28/4/2003.

The notes form part of these financial statements

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 20-33% on cost
Motor vehicles	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the United Kingdom. As a result, the company, in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

ROTECH ENGINEERING LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002****2. TANGIBLE FIXED ASSETS**

	Total
	£
COST OR VALUATION:	
At 1 July 2001	2,715,667
Additions	353,298
Disposals	(128,026)
Surplus on revaluation	50,372
At 30 June 2002	2,991,311
DEPRECIATION:	
At 1 July 2001	1,145,140
Charge for year	251,206
Eliminated on disposals	(61,774)
Revaluation adjustment	(70,198)
At 30 June 2002	1,264,374
NET BOOK VALUE:	
At 30 June 2002	1,726,937
At 30 June 2001	1,570,527

3. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002	2001
			£	£
500,000	Ordinary	£1	500,000	500,000
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002	2001
			£	£
300,000	Ordinary	£1	300,000	300,000

4. ULTIMATE PARENT COMPANY

The directors consider Rotech Holdings Limited, a company incorporated in Scotland, to be the company's ultimate parent company.