

FC 23050

REPORT

to the Shareholders and Board of Directors of
BLESSING INTERNATIONAL B.V., ROYAL LEAMINGTON SPA, UK

concerning the financial statements
for the year ended December 31, 2001



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Shareholders and Board of Directors of
BLESSING INTERNATIONAL B.V.
ROYAL LEAMINGTON SPA
UNITED KINGDOM

Breda, June 28, 2002

Further to our engagement to compile your company's financial statements, we have pleasure in submitting our compilation report on the financial statements for 2001.

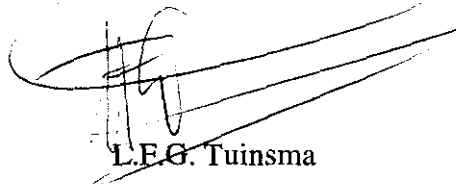
Compilation Report

In accordance with your instructions and on the basis of information provided by you, we have compiled the financial statements of Blessing International B.V., Royal Leamington Spa, UK for the year ended December 31, 2001, as set out on pages 3 to 10, in accordance with standards for compilation engagements generally accepted in the Netherlands, for purposes of their presentation in conformity with accounting principles generally accepted in the Netherlands and the financial reporting requirements as included in Part 9 of Book 2 of the Netherlands Civil Code. These financial statements are your responsibility. We have not audited or reviewed these financial statements and, accordingly, express no assurance thereon.

for Ernst & Young Accountants



E.B.M. Beverwijk-Groothuis



L.E.G. Tuinsma

REPORT OF
THE BOARD OF
MANAGING DIRECTORS

REPORT OF THE BOARD OF MANAGING DIRECTORS

This report is available for inspection at the Company's office in Royal Leamington Spa, UK.

FINANCIAL STATEMENTS

BALANCE SHEET AT DECEMBER 31, 2001
 (before appropriation of the net result after taxation)

	2001	2000
	GBP	GBP
Financial fixed assets	<u>1,071,980</u>	<u>4,746,662</u>
Current assets		
Current accounts group companies	60,848,170	58,217,158
Dutch corporation tax	112,928	-
Cash at bank and in hand	452	2,161
Current liabilities - due within 1 year	<u>(3,465,459)</u>	<u>(2,844,931)</u>
Net current assets	<u>57,496,091</u>	<u>55,374,388</u>
Total assets less current liabilities	<u>58,568,071</u>	<u>60,121,050</u>
Net assets	<u><u>58,568,071</u></u>	<u><u>60,121,050</u></u>
Shareholders' equity		
Capital	118,134	118,134
Share premium account	22,166,109	22,166,109
Other reserves	37,836,807	34,846,275
Net result after taxation	<u>(1,552,979)</u>	<u>2,990,532</u>
Shareholders' equity	<u><u>58,568,071</u></u>	<u><u>60,121,050</u></u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2001

	2001		2000	
	GBP	GBP	GBP	GBP
Operating expenses		7,449		9,079
Financial income				
Interest income group companies	3,553,045		3,389,798	
Foreign currency exchange gains	–		1,250,003	
	3,553,045		4,639,801	
Financial expenses				
Result on the sale of financial fixed assets	3,136,634		–	
Diminution in value of financial fixed assets	626,176		–	
Interest expenses third parties	39,211		–	
Interest expenses group companies	28,583		29,903	
Foreign currency exchange losses	37,844		–	
	3,868,448		29,903	
		(315,403)		4,609,898
Net result before taxation		(322,852)		4,600,819
Dutch corporation tax		(198,127)		(1,610,287)
UK corporation tax		(1,032,000)		–
Net result after taxation		(1,552,979)		2,990,532

NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2001

General

Pursuant to Section 396 of the Netherlands Civil Code, the exemptions for small businesses are applicable to Blessing International B.V.'s annual accounts.

As at 1 January 2001, the Company's statutory seat was transferred from Breda, the Netherlands to Royal Leamington Spa, United Kingdom.

Language and reporting currency

In conformity with Section 362 (7) and Section 391 (1) of Book 2 of the Netherlands Civil Code, the annual report of Blessing International B.V. has been prepared in the English language.

In 2002, the Board of Directors decided to prepare the 2001 financial statements in Pounds Sterling, primarily because the Company has become UK resident and the majority of the assets are in Pounds Sterling.

Consolidation

Under the exemption for intermediate holding companies of Section 408 of Book 2 of the Netherlands Civil Code, Blessing International B.V. does not prepare consolidated annual accounts. The annual accounts of Menvier Group Plc., including the consolidation of Blessing International B.V. and her subsidiary undertakings, will be filed at the trade register at Companies House, Cardiff, United Kingdom.

Summary of significant accounting policies

Valuation

Assets and liabilities are shown at the amounts at which they were acquired or incurred, unless stated otherwise.

Financial fixed assets

Investments are stated at acquisition price, adjusted for a permanent loss of value, if any. This lower current value is estimated at the net asset value.

Changes in the lower net asset value during the year, due to losses of the financial fixed assets, are recorded in the profit and loss account (diminution in value of financial fixed assets).

Translation of foreign currencies

Assets and liabilities denominated in Dutch guilders are translated into Pounds Sterling at year-end exchange rates. Transactions in foreign currencies are recorded at the exchange rate ruling at the transaction date. Exchange differences arising from the revaluation of the balances at the year-end exchange rate are included in the profit and loss account for the period.

List of participating interests

(in accordance with Section 379 (1) of Book 2 of the Netherlands Civil Code)

	Country	Registered office	% held
Menvier A/S	Denmark	Copenhagen	100.0
Pretronica Precisao Ltd	Portugal	Sintra	100.0
Univel E.P.E.	Greece	Katerini	100.0

Under the exemption for intermediate holding companies of Section 379 (2) of Book 2 of the Netherlands Civil Code, Blessing International B.V. does not mention equity and result of its participating interests.

NOTES TO THE BALANCE SHEET

(all amounts are expressed in Pounds Sterling)

Financial fixed assets

	Book value at January 1	Diminuation in value	Foreign currency exchange difference	Dis- invest- ment	Book value at December31
	GBP	GBP	GBP	GBP	GBP
Menvier Notstrom- und Sytemtechnik G.m.b.H.	3,119,161	(52,317)	17,474	(3,084,318)	—
Pretronica Precisao Ltd	1,265,532	(265,272)	14,260	—	1,014,520
Menvier A/S	305,149	(308,587)	3,438	—	—
Univel E.P.E	56,820	—	640	—	57,460
	<u>4,746,662</u>	<u>626,176</u>	<u>35,812</u>	<u>(3,048,318)</u>	<u>1,071,980</u>

2001	2000
GBP	GBP

Current liabilities - due within 1 year

Current accounts group companies	2,433,459	2,844,454
UK corporation tax	1,032,000	—
Other creditors	—	477
	<u>3,465,459</u>	<u>2,844,931</u>

Shareholders' equity

The authorized capital stock is NLG 1,000,000.

The capital stock has been divided into 10,000 common shares, of which 4,241 have been issued and paid up.

Movements in shareholders' equity were as follows:

	Capital stock	Share premium account	Other reserves	Net result after taxation	Total
	GBP	GBP	GBP	GBP	GBP
Balance at December 31, 2000	118,134	22,166,109	34,846,275	2,990,532	60,121,050
Appropriation of net income 2000	-	-	2,990,532	(2,990,532)	-
Net result after taxation for 2001	-	-	-	(1,552,979)	(1,552,979)
Balance at December 31, 2001	<u>118,134</u>	<u>22,166,109</u>	<u>37,836,807</u>	<u>(1,552,979)</u>	<u>58,568,071</u>

NOTES TO THE PROFIT AND LOSS ACCOUNT

(All amounts are expressed in Pounds Sterling)

	2001	2000
	GBP	GBP
Result on the sale of financial fixed assets		
Sales revenue on sale of Menvier Notstrom- und Sytemtechnik G.m.b.H.	(1)	-
Book value as at January 1, 2001	3,119,161	-
Foreign currency exchange difference	17,474	-
	<u>3,136,634</u>	<u>-</u>

Diminution in value of financial fixed assets

Diminution in value of participation in Menvier A/S	308,587	-
Diminution in value of participation in Pretronica Precisao Ltd	265,272	-
Diminuation in value of Menvier Notstrom- und Sytemtechnik G.m.b.H	52,317	-
	<u>626,176</u>	<u>-</u>

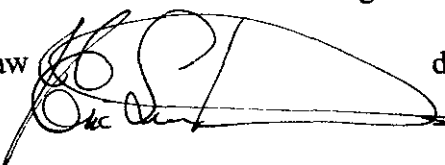
Employee data

The company did not have any employees in the year under review.

Remuneration of Managing Directors

No remuneration was paid.

Approved by the board of directors and signed on its behalf by:

J.E. Scrimshaw  date: 28 October 2002.
Director

P.W. Maxwell  date: 28th October 2002
Director

OTHER INFORMATION

Net result appropriation

According to Article 24 of the Company's articles of association, it is the prerogative of the General Meeting to appropriate the net profit.

The Company can make distributions to its shareholders and other persons entitled to its profits that are capable of being distributed, but only to the extent that its shareholders' equity exceeds the paid-up and called parts of its share capital increased by the reserves that it must maintain by law or under the present statutes.

Appropriation of the 2000 net result

The shareholders decided to take the 2000 net profit of GBP 2,990,532 to other reserves.

Appropriation of the 2001 net result

It will be proposed to the shareholders to take the loss of GBP 1,552,979 to other reserves.