

**AVFE Limited**

Annual report and financial statements  
for the year ended 31 July 2001

Registered number: 199624



## Directors and advisors

Directors	C A A Kraushar (Chairman) D A Gallimore
Secretary	D A Gallimore
Registered office	Dixon Street Wolverhampton West Midlands WV2 2BX
Registered number	199624
Auditors	Arthur Andersen Four Brindleyplace Birmingham B1 2HZ
Bankers	HSBC 8 High Street Sutton Coldfield West Midlands B72 1XB
Solicitors	Wragge & Co 55 Colmore Row Birmingham B3 2AS

## Directors' report

For the year ended 31 July 2001

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 July 2001.

### Principal activity and business review

The company has not traded during the year. The directors do not have any current intention to recommence trading for the foreseeable future.

### Results and dividends

The company made neither a profit nor a loss during the year and no dividends were paid or proposed.

### Directors and their interests

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

C A A Kraushar (Chairman)

D A Gallimore

None of the directors who held office at 31 July 2001 had any interests in the share capital of the company. The interests of the directors in the share capital of the ultimate parent company, AVF Investments Limited, are shown in the financial statements of that company.

### Auditors

Resolutions to reappoint Arthur Andersen as auditors for the ensuing year and to authorise the Directors to fix their remuneration will be placed before the Annual General Meeting.

Dixon Street  
Wolverhampton  
West Midlands  
WV2 2BX

By order of the Board,



D A Gallimore

Secretary

26 October 2001

## Statement of directors' responsibilities

### **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 of the company 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; and
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**To the Shareholders of AVFE Limited:**

We have audited the financial statements of AVFE Limited for the year ended 31 July 2001, which comprise the balance sheet, the statement of accounting policies and the relevant notes number 1 to 8. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

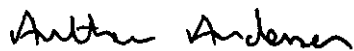
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

## Independent auditors' report (continued)

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 July 2001 and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**

**Chartered Accountants and Registered Auditors**

Four Brindleyplace

Birmingham

B1 2HZ

26 October 2001

## Balance sheet

31 July 2001

	Notes	2001 £	2000 £
<b>Current assets</b>			
Debtors	2	<u>79,873</u>	<u>79,873</u>
<b>Net assets</b>		<u>79,873</u>	<u>79,873</u>
<b>Capital and reserves</b>			
Called-up share capital	3	60,006	60,006
Share premium account	4	19,628	19,628
Profit and loss account	4	<u>239</u>	<u>239</u>
<b>Shareholders' funds - all equity</b>	5	<u>79,873</u>	<u>79,873</u>

The company remained dormant throughout the financial year and, as such, no profit and loss account is presented.

The financial statements on pages 6 to 9 were approved by the board of directors on 26 October 2001 and signed on its behalf by:

C A A Kraushar



Director

D A Gallimore



Director

26 October 2001

The accompanying notes are an integral part of this balance sheet.

## Statement of accounting policies

31 July 2001

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards.

### **Cash flow statement**

Under the provisions of Financial Reporting Standard Number 1, the company has not prepared a cash flow statement because the results of the company have been included in the consolidated financial statements of AVF Investments Limited, which are publicly available.



# Notes to financial statements

31 July 2001

## 1 Staff and other costs

All staff costs are borne by fellow group undertakings, as is the audit fee. No directors received any remuneration from the company in either year. The average monthly number of persons employed during the year was 2 (2000 - 2).

## 2 Debtors

The following are included in the net book value of debtors:

	2001 £	2000 £
Amounts owed by other group undertakings	<u>79,873</u>	<u>79,873</u>

## 3 Called-up share capital

	2001 £	2000 £
<i>Authorised</i>		
74,000 deferred ordinary shares of £1 each	74,000	74,000
6,000,000 ordinary shares of 1p each	60,000	60,000
25,000 cumulative preference shares of £1 each	<u>25,000</u>	<u>25,000</u>
	<u>159,000</u>	<u>159,000</u>
<i>Allotted, called-up and fully-paid</i>		
59,412 deferred ordinary shares of £1 each	59,412	59,412
59,412 ordinary shares of 1p each	<u>594</u>	<u>594</u>
	<u>60,006</u>	<u>60,006</u>

## 4 Reserves

Reserves are as follows:

	Share premium account £	Profit and loss account £
Beginning and end of year	<u>19,628</u>	<u>239</u>

## 5 Statement of movement in shareholders' funds

During the year there was no movement in shareholders' funds.

## Notes to financial statements (continued)

### **6 Guarantees and other financial commitments**

#### *a) Contingent liabilities*

The company is party to a cross guarantee of the bank overdrafts and bank loans of fellow group undertakings. The total net borrowings of other group undertakings at 31 July 2001 amounted to £nil (2000 - £325,646).

#### *b) Capital commitments*

There were no capital commitments at either year end.

### **7 Ultimate parent company**

The company is a subsidiary undertaking of AVF Group Limited, a company registered in England and Wales. The ultimate parent company is AVF Investments Limited.

The only group in which the results of AVFE Limited for the year ended 31 July 2001 are consolidated is that headed by AVF Investments Limited, a company registered in England and Wales, whose principal place of business is at Road 30, Hortonwood Industrial Estate, Telford, Shropshire, TF1 7YE. The consolidated financial statements of this group are available to the public and may be obtained from the above address.

### **8 Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 "Related party transactions" that transactions with group entities are not disclosed as the company is a wholly owned subsidiary of a company which produces consolidated financial statements that are publicly available.