

APV INTERNATIONAL LIMITED

COMPANY NUMBER 362342

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995



APV INTERNATIONAL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1995

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APV INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 December 1995.

PRINCIPAL ACTIVITIES

The principal activity of the company in 1995 was to provide services to APV Group Companies in respect of exports to customers in the Czech Republic and in 1994 was for the sale, installation and service of equipment for the food processing industry in Eastern Europe.

POST BALANCE SHEET EVENT

As at 30 June 1996 all the assets and liabilities of the company were transferred at net book value as at that date to APV Central Europe SPOL.SR.O, a fellow wholly owned subsidiary of APVplc. The company will however continue in existence as a non-trading company.

DIVIDENDS

The directors do not recommend the payment of a dividend (1994 Nil).

RESULTS

The trading results for the year ended 31 December 1995 are set out on page 3.

DIRECTORS

The following persons were directors of the company during the year:-

T J Parker
R H Wheatley

DIRECTORS' INTERESTS

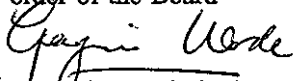
Details of the directors' beneficial interests in the ordinary shares of APV plc are as follows:

	<u>Ordinary</u> <u>Shares at 10p</u>		<u>SAYE Share</u> <u>Option Scheme</u>		<u>Executive Share</u> <u>Option Scheme</u>	
	1995	1994	1995	1994	1995	1994
T J Parker	-	-	9,167	6,292	-	-
R H Wheatley	-	-	-	-	41,000	25,000

The movement in Share Options for the year corresponds to the amount granted. No Share Options lapsed or were exercised during the year.

No director had any significant interest in any contract or arrangement entered into by the company during the year ended 31 December 1995.

By order of the Board


APV Nominees Limited
SECRETARY
Date: 8th October 1996

DIRECTORS' RESPONSIBILITIES FOR PREPARATION OF THE FINANCIAL STATEMENTS

Directors' Responsibilities for Preparation of the Financial Statements

Company law requires the directors to prepare accounts 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 accounts, 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 accounts;
- * prepare the accounts 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 accounts 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.

Report of the Auditors, KPMG, to the Members of APV INTERNATIONAL LIMITED

We have audited the accounts on pages 3 to 7.

Respective Responsibilities of Directors and Auditors

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

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the 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 accounts 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 accounts.

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the company as at 31 December 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
8, Salisbury Square
Chartered Accountants, Registered Auditors

20 October 1996

APV INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December

	<u>Notes</u>	<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
Turnover	1(b)	265	96
Cost of sales		(87)	-
Gross profit		<u>178</u>	<u>96</u>
Administrative expenses		(138)	(113)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>40</u>	<u>(17)</u>
Taxation	3	(6)	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>34</u>	<u>(17)</u>
RETAINED LOSS BROUGHT FORWARD		(17)	-
RETAINED PROFIT / (LOSS) CARRIED FORWARD		<u><u>17</u></u>	<u><u>(17)</u></u>

The notes on pages 5 to 7 form part of these accounts.

The company has neither acquired nor disposed of any material operations within the meaning of FRS3 during 1995. Therefore, the result for the financial year is derived entirely from continuing operations.

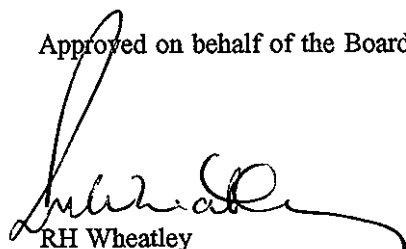
The company has no recognised gains and losses other than those included in the result above and therefore no separate statement of total recognised gains and losses has been presented.

APV INTERNATIONAL LIMITED
BALANCE SHEET AT 31 DECEMBER
For the year ended 31 December

	<u>Note</u>	1995 £000	1994 £000
FIXED ASSETS			
Tangible assets	6	27	28
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	4	289	280
Cash in hand		7	-
		<hr/>	<hr/>
		296	280
CREDITORS			
Amounts falling due within one year	5	(108)	(127)
		<hr/>	<hr/>
NET CURRENT ASSETS		188	153
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		215	181
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Share Capital	11	198	198
Profit & loss account		17	(17)
		<hr/>	<hr/>
		215	181
		<hr/>	<hr/>

The notes on pages 5 to 7 form part of these accounts.

Approved on behalf of the Board on 8th October 1996 and signed on its behalf:


 RH Wheatley
 DIRECTOR

APV INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of accounting

i) The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards.

ii) The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a consolidated cash flow statement as it is a wholly owned subsidiary undertaking of APV plc, and its cash flows are included within the consolidated cash flow statement of that company.

(b) Turnover

Turnover represents the invoiced value of services supplied, excluding VAT, and commission received from provision of services to group companies.

Turnover relates entirely to sales of components for the food processing industry and is all sold to Eastern Europe.

(c) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the balance sheet. Profits and losses arising on translation are dealt with in the profit and loss account, unless related to the long term financing of subsidiaries in which case differences arising on translation are taken to reserves.

(d) Deferred taxation

Provision is made for deferred tax using the liability method at the anticipated rates of corporation tax applicable in the years in which the timing differences are expected to reverse.

2. <u>Operating Profit / (Loss)</u>	1995	1994
	£000	£000
Profit / (loss) before taxation is stated after charging:		
Depreciation	<u>10</u>	<u>11</u>
3. <u>Taxation</u>		
United Kingdom corporation tax at 33%	16	-
Relief for overseas taxation	(10)	-
	<u>6</u>	<u>-</u>
	<u>=</u>	<u>=</u>
4. <u>Debtors</u>		
Amounts falling due within one year:		
Other debtors	22	56
Amounts due from parent undertaking	198	198
Amounts due from group undertakings	69	26
	<u>289</u>	<u>280</u>
	<u>=</u>	<u>=</u>
5. <u>Creditors</u>		
Other creditors	-	4
Corporation tax	6	-
Amounts due to group undertakings	102	123
	<u>108</u>	<u>127</u>
	<u>=</u>	<u>=</u>

APV INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. **Tangible assets**

	Plant & Machinery £000	Fixtures & Fittings £000	Total £000
Cost			
As at 1 January 1995	26	13	39
Additions	<u>8</u>	<u>1</u>	<u>9</u>
As at 31 December 1995	34	14	48
	==	==	==
Depreciation			
As at 1 January 1995	8	3	11
Charge for the year	<u>8</u>	<u>2</u>	<u>10</u>
As at 31 December 1995	16	5	21
	==	==	==
Net Book Value 31 December 1995	<u>18</u>	<u>9</u>	<u>27</u>
Net book value 31 December 1994	<u>18</u>	<u>10</u>	<u>28</u>

Fixed assets are stated at cost and this is depreciated in equal instalments over their estimated useful lives as follows:

* Plant and Machinery - 4 years

* Fixtures and equipment - 5 to 25 years.

7. **EMPLOYEES**

	1995 Number	1994 Number
The average number of employees during the year was:	4	3
	==	==

8. **STAFF COSTS**

	1995 £000	1994 £000
Wages and salaries	50	35
	==	==

9. **DIRECTORS**

The directors are remunerated as directors and executives of other group companies and no part of those emoluments has been borne by the company.

10. **AUDITORS**

The remuneration of the auditors has been borne by the holding company.

APV INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

11. **SHARE CAPITAL**

	1995 £000	1994 £000
Authorised:		
20,000 ordinary shares of £1 each	20	20
180,000 3.5% non-cumulative Preference Shares of £1 each	180	180
	<u>200</u>	<u>200</u>
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
18,000 ordinary shares of £1 each	18	18
180,000 3.5% non-cumulative Preference Shares of £1 each	180	180
	<u>198</u>	<u>198</u>
	<u> </u>	<u> </u>

12. **RECONCILIATION OF SHAREHOLDERS' FUNDS**

	1995 £000	1994 £000
Opening shareholders' funds	181	198
Profit / (Loss) for the financial year	34	(17)
	<u>215</u>	<u>181</u>
	<u> </u>	<u> </u>

13. **ULTIMATE HOLDING COMPANY**

The company's ultimate holding company is APV plc, a company incorporated in Great Britain and registered in England and Wales.

The group accounts of APV plc may be obtained from 1 Lygon Place, London, SW1W 0JR.