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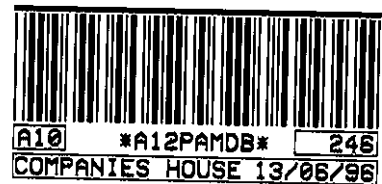
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Company No 2798157

AVK MANUFACTURING LIMITED

Abbreviated Accounts

Year ended 30 September 1995



PANNELL KERR FORSTER
CHARTERED ACCOUNTANTS
Pannell House
159 Charles Street
LEICESTER LE1 1LD

**PANNELL
KERR
FORSTER**
CHARTERED ACCOUNTANTS

AVK MANUFACTURING LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 1995

CONTENTS

Page 1	AUDITORS' REPORT
3	ABBREVIATED BALANCE SHEET
4	NOTES TO THE ABBREVIATED ACCOUNTS

AUDITORS' REPORT TO THE DIRECTORS OF
AVK MANUFACTURING LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 5 together with the full financial statements of AVK Manufacturing Limited prepared for shareholders for the year ended 30 September 1995.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 30 September 1995 and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 18 April 1996 we reported, as auditors of AVK Manufacturing Limited to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30 September 1995, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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 to report our opinion to you.

AUDITORS' REPORT TO THE DIRECTORS OF
AVK MANUFACTURING LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

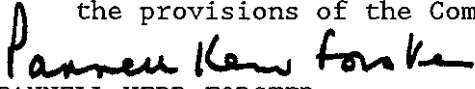
Basis of opinion

We conducted our audit in accordance with Auditing Standards. 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.'


PANNELL KERR FORSTER

Chartered Accountants

Registered Auditors

Leicester

18 April 1996

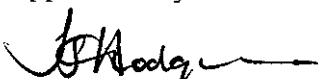
AVK MANUFACTURING LIMITED
 ABBREVIATED BALANCE SHEET
 30 SEPTEMBER 1995

3

	Note	£	<u>1995</u>	£	£	<u>1994</u>	£
FIXED ASSETS							
Tangible assets	2			314,637			331,399
CURRENT ASSETS							
Stock		242,756			214,721		
Debtors		293,693			514,303		
Cash at bank and in hand		75,530			95,858		
			611,979		824,882		
CREDITORS - Amounts falling due within one year	3		337,441		482,832		
NET CURRENT ASSETS				274,538			342,050
TOTAL ASSETS LESS CURRENT LIABILITIES				589,175			673,449
CREDITORS - Amounts falling due after more than one year	3	420,000			480,000		
PROVISION FOR LIABILITIES AND CHARGES - Deferred taxation		27,509		447,509	33,800		513,800
NET ASSETS				141,666			159,649
CAPITAL AND RESERVES							
Called up share capital	4		100,000			100,000	
Profit and loss account			41,666			59,649	
EQUITY SHAREHOLDERS' FUNDS				141,666			159,649

We have relied on Section 246 and Section 247 of the Companies Act 1985 as entitling us to deliver abbreviated accounts on the grounds that the company is entitled to benefit from the exemptions conferred by Part III Section A of Schedule 8 to the Companies Act 1985 as a small company.

Approved by the board on 18 April 1996



I. S. HODGE

Director

1 ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards except where otherwise stated.

The principal accounting policies adopted in their preparation are as follows:

1.1 Tangible fixed assets and depreciation

Tangible fixed assets are depreciated by equal annual instalments over the anticipated useful economic life of the assets concerned. The principal annual rates used for this purpose are:

Plant and machinery	10 years
Motor vehicles	4 years
Computer equipment	5 years

1.2 Stock

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

Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

1.3 Deferred taxation

Full provision is made for deferred taxation. Although this is not in accordance with Statement of Standard Accounting Practice No 15, this policy is adopted throughout the group. The provision is calculated at the rate of corporation tax which it is anticipated will apply when the tax becomes payable. Account is taken of the benefit of unrelieved tax losses available for future periods.

1.4 Operating lease agreements

Rentals under operating leases are charged to revenue on a straight line basis over the term of the lease agreements.

2 TANGIBLE FIXED ASSETS

Cost	£
At 30 September 1994	379,362
Additions	29,731
At 30 September 1995	<u>409,093</u>
Depreciation	
At 30 September 1994	47,963
Charge for the period	46,493
At 30 September 1995	<u>94,456</u>
Net book amount	
At 30 September 1994	<u>331,399</u>
At 30 September 1995	<u>314,637</u>

3 CREDITORS

Included in creditors is a bank loan of £60,000 (1994 £60,000) due within one year and £420,000 (1994 £480,000) due after more than one year. This bank loan is guaranteed by the ultimate holding company. The ultimate holding company has a fixed and floating charge over the assets of the company. Included in the bank loan due after more than one year is an amount of £60,000 (1994 £60,000) due between one and two years, £180,000 (1994 £180,000) due between two and five years and £180,000 (1994 £240,000) due after more than five years.

4 SHARE CAPITAL

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Ordinary shares of £1 each		
Authorised	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid	<u>100,000</u>	<u>100,000</u>