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EXPAMET UK LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FIFTEEN MONTHS ENDED 31 DECEMBER 1996



EXPAMET UK LIMITED

DIRECTORS

P Reeder
A M Parkin
T N Hauxwell (resigned 1 May 1996)

SECRETARY

J D K Hewitt

REGISTERED OFFICE

Clifton House
83/89 Uxbridge Road
Ealing
London W5 5TA

Registered Number: 197900

REPORT OF THE DIRECTORS FOR THE FIFTEEN MONTHS ENDED 31 DECEMBER 1996

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company did not trade during the year.

CHANGE OF ACCOUNTING REFERENCE DATE

During the period the accounting reference date of the company was changed to 31 December for administrative reasons.

RESULTS AND DIVIDEND

The Company's profit and loss account is set out on page 4.

DIRECTORS

The directors of the company during the period are listed above. They are appointed by the ultimate parent undertaking.

EXPAMET UK LIMITED

REPORT OF THE DIRECTORS FOR THE FIFTEEN MONTHS ENDED 31 DECEMBER 1996 (continued)

DIRECTORS' SHAREHOLDING

The interests of the directors at the period end in the share capital of the ultimate parent undertaking were as follows:

	<u>31 December 1996</u>		<u>30 September 1995</u>	
	<u>Shares</u>	<u>Options</u>	<u>Shares</u>	<u>Options</u>
P Reeder	16,401	30,139	16,118	30,139
A M Parkin	1,793	2,132	1,510	2,132

AUDITORS

Elective resolutions have been passed to dispense with the holding of annual general meetings and obligations to appoint auditors annually.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for the financial period.

The directors consider that in preparing the financial statements on pages 4 to 10, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed. The financial statements have been prepared on a going concern basis which assumes that the company will continue in business for the foreseeable future.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.

By Order of the Board


J D K Hewitt
Secretary

29 August 1997

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF EXPAMET UK LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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.

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 explanation 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 the company's affairs as at 31 December 1996 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants and
Registered Auditors

29 August 1997

EXPAMET UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE FIFTEEN MONTHS ENDED 31 DECEMBER 1996

	Notes	Fifteen months ended 31 December 1996	Nine months ended 30 September 1995
		£'000	£'000
TURNOVER		-	-
Cost of sales		-	-
		<hr/>	<hr/>
GROSS PROFIT		-	-
Administrative expenses		(21)	(338)
Income from shares in group companies		843	9
		<hr/>	<hr/>
OPERATING PROFIT/(LOSS)		822	(329)
Loss on disposal and closure of businesses	3	(41)	-
		<hr/>	<hr/>
		781	(329)
Interest receivable		7	-
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	788	(329)
Tax on profit/(loss) on ordinary activities	4	4	26
		<hr/>	<hr/>
TRANSFERRED TO/(WITHDRAWN FROM) RESERVES	11	792	(303)
		<hr/> <hr/>	<hr/> <hr/>

The company has no recognised gains or losses other than the profit for the period, and therefore a statement of total recognised gains and losses has not been prepared.

There is no difference between the reported profit and the historical cost profit.

EXPAMET UK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1996

	<u>Notes</u>	<u>31 December 1996</u>		<u>30 September 1995</u>	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	5		-		59
CURRENT ASSETS					
Debtors falling due within one year	6	8,983		460	
Debtors falling due after more than one year	6	4,222		14,241	
Cash at bank and in hand		-		27	
		<u>13,205</u>		<u>14,728</u>	
CREDITORS (amounts falling due within one year)	7	(556)		(2,928)	
NET CURRENT ASSETS			12,649		11,800
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,649</u>		<u>11,859</u>
PROVISION FOR LIABILITIES AND CHARGES	8		(50)		(52)
			<u>12,599</u>		<u>11,807</u>
CAPITAL AND RESERVES					
Called up share capital	10		198		198
Profit and loss account	11		12,401		11,609
Equity Shareholders' Funds	12		<u>12,599</u>		<u>11,807</u>

The accounts on pages 4 to 10 were approved by the directors on 29 August 1997 and are signed on their behalf by:



P Reeder
Director

EXPAMET UK LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1996

1. ACCOUNTING POLICIES

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(loss) on ordinary activities before taxation is stated after charging:

	<u>1996</u> £'000	<u>1995</u> £'000
Provision against amounts due from group undertakings	-	193
Settlement of insurance claims	-	150
	<u> </u>	<u> </u>

None of the directors received any emoluments in respect of their services to the company.

3. LOSS ON DISPOSAL AND CLOSURE OF BUSINESSES

	<u>1996</u> £'000	<u>1995</u> £'000
Loss on disposal of 60% shareholding in PAC International Limited	(47)	-
Profit on distribution of assets of Batco France Sarl	6	-
	<u>-----</u> (41)	<u>-----</u> -
	<u> </u>	<u> </u>

4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	<u>1996</u> £'000	<u>1995</u> £'000
Corporation tax charge/(credit)		
- Current period	3	(51)
- (Over)/under provision in prior period	(7)	4
Deferred tax charge		
- Current period	-	21
	<u>-----</u> (4)	<u>-----</u> (26)
	<u> </u>	<u> </u>

EXPAMET UK LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (continued)

5. INVESTMENTS

	Shares in subsidiary <u>undertaking</u> £'000
<u>Costs less amounts written off</u>	-
At 30 September 1995	59
Additions	6,000
Disposals	(6,059)
	<hr/>
At 31 December 1996	- <hr/> <hr/>

On 23 October 1995 the company acquired a 60% shareholding in PAC International Limited from the ultimate holding company. On 31 January 1996, the company disposed of its shareholding in PAC International Limited for a cash consideration of £6,120,000.

Prior to the year end, Batco France Sarl, the company's 76.3% owned subsidiary was dissolved. On distribution of its assets, the company received £65,000.

The results of the company and its subsidiary are included within the consolidated accounts of the ultimate parent undertaking. Therefore, by virtue of S228 Companies Act 1985 the company has not prepared consolidated accounts.

EXPAMET UK LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (continued)

6. DEBTORS

	<u>1996</u> £'000	<u>1995</u> £'000
<u>Amounts due within one year:</u>		
Amounts owed by group undertakings	8,913	386
Other debtors	68	69
Corporation tax recoverable	2	5
	<u>8,983</u>	<u>460</u>
 <u>Amounts due after more than one year:</u>		
Amounts owed by group undertakings	<u>4,222</u>	<u>14,241</u>

7. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	<u>1996</u> £'000	<u>1995</u> £'000
Amounts owed to group undertakings	505	2,801
Other creditors	12	72
Accruals and deferred income	39	55
	<u>556</u>	<u>2,928</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1996</u> £'000	<u>1995</u> £'000
Onerous lease provisions (Note 9)	<u>50</u>	<u>52</u>

EXPAMET UK LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (continued)

9. ONEROUS LEASE PROVISIONS

	£'000
At 30 September 1995	52
Charged to profit and loss account	25
Utilised during the period	(27)
As at 31 December 1996	<u>50</u>

10. CALLED UP SHARE CAPITAL

	<u>Authorised</u> £'000	Allotted and <u>fully paid</u> £'000
At 30 September 1995 and at 31 December 1996:		
Ordinary shares of £1 each	140	132
4.2% cumulative preference shares of £1 each	66	66
	<u>206</u>	<u>198</u>

As all the cumulative preference stock is owned by the equity shareholders no allocation of non-equity interest is shown.

11. RESERVES

	<u>Profit and loss</u> £'000
At 30 September 1995	11,609
Retained profit for the period	792
At 31 December 1996	<u>12,401</u>

Profit and loss reserves at 31 December 1996 include £7,670,000 which are non-distributable.

EXPAMET UK LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (continued)

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u> £'000	<u>1995</u> £'000
Profit/(loss) for the period	792	(303)
Opening shareholders' funds	11,807	12,110
Closing shareholders' funds	<u>12,599</u>	<u>11,807</u>

13. ULTIMATE PARENT UNDERTAKING

The company is a wholly-owned subsidiary undertaking of Press Bat Holdings Limited. The ultimate parent undertaking, and ultimate controlling party, is Expamet International PLC which is registered in England and Wales. Copies of the group accounts can be obtained from Clifton House, 83/89 Uxbridge Road, Ealing, London W5 5TA.

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under Financial Report Standard No.8 "Related party disclosures", as the consolidated accounts of Expamet International PLC, in which the company is included, are available at the address noted above.