

Registered number
1032622
England and Wales

FOUNTAIN INDUSTRIES (UK) LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1995

Scrutton Bland
Chartered Accountants
Sanderson House
Museum Street
Ipswich



FOUNTAIN INDUSTRIES (UK) LIMITED

Directors P.F. Lambert
G.E. Smith
N.B. Weekes (resigned 1.1.96)

Secretary G.A. Cutts

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Registered Number 1032622

Auditors Scrutton Bland
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FOUNTAIN INDUSTRIES (UK) LIMITED

DIRECTORS' REPORT

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

Principal activity

The principal activity of the company in the year under review was that of sales of drink dispensing equipment, together with associated products.

Results and dividends

The trading profit for the year, after taxation, amounted to £9,116 (1994: £42,992).

The directors recommend the payment of a final dividend of £Nil. During the year a dividend of £2,000 was paid which related to the 1994 results although it was not provided for in the previous year's financial statements.

Directors

The directors, who served the company throughout the year unless otherwise stated, and their beneficial interests in the company's issued ordinary share capital, were as follows:

		1994
	£	£
P.F. Lambert	-	-
G.E. Smith	-	-
N.B. Weekes (resigned 1.1.96)	-	-

The directors who are also directors of the ultimate holding company during the year have disclosed their shareholdings in the directors report of that company.

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386 (1) of the Companies Act 1985. Therefore the auditors, Scrutton Bland, will be deemed to be re-appointed for each succeeding financial year.

Accounting Exemptions

Advantage is taken in the preparation of the directors' report of the exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

Signed by order of the board of directors.

G.A. Cutts

G.A. Cutts
Secretary

Approved by the board on 15 February, 1996

FOUNTAIN INDUSTRIES (UK) LIMITED

PREPARATION OF FINANCIAL STATEMENTS

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 judgments and estimates that are reasonable and prudent;
- * 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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF FOUNTAIN INDUSTRIES (UK) LIMITED

We have audited the financial statements on pages 4 to 11, which have been prepared under the historical cost convention and the accounting policies set out on pages 6 to 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.

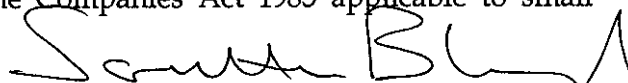
Basis of opinion

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 judgments 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 the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



SCRUTTON BLAND
Chartered Accountants
and Registered Auditors

Ipswich
15 February, 1996

FOUNTAIN INDUSTRIES (UK) LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 1995

	Notes		1994
		£	£
TURNOVER	2	967,896	975,321
Cost of sales		(690,665)	(673,460)
GROSS PROFIT		277,231	301,861
Distribution costs		(157,592)	(145,043)
Administrative expenses		(95,874)	(87,430)
OPERATING PROFIT	3	23,765	69,388
Interest receivable		-	150
Interest payable	4	(9,037)	(6,082)
PROFIT on ordinary activities before taxation		14,728	63,456
TAXATION	5	(5,612)	(20,464)
PROFIT for the financial year after taxation		9,116	42,992
DIVIDENDS paid or proposed		(2,000)	(14,800)
RETAINED PROFIT for the financial year		7,116	28,192
RETAINED PROFIT at 1 January 1995		144,039	115,847
RETAINED PROFIT at 31 December 1995		£151,155	£144,039

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the above two financial years.

FOUNTAIN INDUSTRIES (UK) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1995

	Notes	£	1994 £
FIXED ASSETS			
Tangible assets	6	71,532	88,039
CURRENT ASSETS			
Stocks	7	93,148	130,844
Debtors	8	141,494	139,845
Cash at bank and in hand		6,182	21,780
		240,824	292,469
CREDITORS: amounts falling due within one year	9	(135,838)	(172,309)
NET CURRENT ASSETS		104,986	120,160
TOTAL ASSETS LESS CURRENT LIABILITIES		176,518	208,199
CREDITORS: amounts falling due after more than one year	10	(20,310)	(60,684)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	11	(5,001)	(3,424)
		£151,207	£144,091
CAPITAL AND RESERVES			
Called up share capital	12	52	52
Profit and loss account		151,155	144,039
Shareholders' funds-equity interest	13	£151,207	£144,091

Advantage is taken in the preparation of the financial statements of the exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. In the directors' opinion the company is entitled to those exemptions as a small company.

The financial statements were approved by the directors on 15 February, 1996.

P.F. Lambert

G.E. Smith

Directors

FOUNTAIN INDUSTRIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1995

1 ACCOUNTING POLICIES

Basis of accounting

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

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Turnover

Turnover represents net invoiced sales of goods, excluding VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery	-	20% on cost
Fixtures and fittings	-	20% on cost
Motor vehicles	-	20% on cost
Delivery vehicle	-	25% on cost
Computer equipment	-	33% on cost

Stocks

Stocks and work-in-progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Taxation

The charge for taxation is based on the profit for the year. The charge takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation to the extent that, in the opinion of the directors, there is reasonable probability that the liability will arise in the foreseeable future.

FOUNTAIN INDUSTRIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1995

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Leases and hire purchase

Assets held under hire purchase contracts are capitalised in the balance sheet with an equivalent liability included under creditors. An asset acquired under a hire purchase contract is depreciated over its useful life. The interest element of the amount payable is charged to the profit and loss account and the capital element reduces the liability in the balance sheet.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Pension costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

2 TURNOVER

Turnover attributable to geographical markets outside the United Kingdom amounted to £156,088 (1994: £115,757).

3 OPERATING PROFIT

The operating profit is stated after charging

		1994
	£	£
Foreign currency loss on exchange	28,447	29,185
Depreciation of tangible fixed assets	21,705	18,142
Operating lease rentals	24,371	24,057
Auditors' remuneration	3,150	3,100
Directors' emoluments	72,712	65,744
	<u>149,385</u>	<u>138,228</u>

4 INTEREST PAYABLE

		1994
	£	£
Group	3,843	5,311
Finance leases and hire purchase contracts	2,064	407
Other	3,130	364
	<u>9,037</u>	<u>6,082</u>

FOUNTAIN INDUSTRIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1995

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	£	1994 £
Based on the profit for the year		
Corporation Tax at 33% (1994: 33%)	6,115	16,597
Deferred Taxation	(923)	3,655
	<u>5,192</u>	<u>20,252</u>
Corporation tax under provided in previous year	420	212
	<u>£5,612</u>	<u>£20,464</u>

6 TANGIBLE FIXED ASSETS

	Fixtures fittings and computer equipment £	Plant and machinery £	Delivery vehicles £	Motor vehicles £	Total £
Cost					
At 1 January 1995	39,409	80,385	42,353	37,152	199,299
Additions	720	4,478	-	-	5,198
Disposals	-	(14,000)	-	-	(14,000)
At 31 December 1995	<u>40,129</u>	<u>70,863</u>	<u>42,353</u>	<u>37,152</u>	<u>190,497</u>
Depreciation					
At 1 January 1995	23,383	43,091	42,353	2,433	111,260
On disposals	-	(14,000)	-	-	(14,000)
Charge for the year	4,148	10,117	-	7,440	21,705
At 31 December 1995	<u>27,531</u>	<u>39,208</u>	<u>42,353</u>	<u>9,873</u>	<u>118,965</u>
Net book values					
At 31 December 1995	<u>£12,598</u>	<u>£31,655</u>	<u>£ -</u>	<u>£27,279</u>	<u>£71,532</u>
At 31 December 1994	<u>£16,026</u>	<u>£37,294</u>	<u>£ -</u>	<u>£34,719</u>	<u>£88,039</u>

The charge for depreciation of fixed assets includes £13,055 (1994: £11,408) in respect of assets acquired under hire purchase contracts. At 31 December 1995 the net book value of assets acquired under hire purchase contracts was £44,128 (1994 : £57,183).

FOUNTAIN INDUSTRIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1995

7 STOCKS

		1994
	£	£
Raw materials	31,776	58,530
Finished goods	61,372	72,314
	<u>£93,148</u>	<u>£130,844</u>

There is no material difference between the book value of stocks and replacement cost.

8 DEBTORS

		1994
	£	£
Trade debtors	127,176	124,939
Other debtors	9,148	11,282
Amounts due from group undertakings	5,170	3,624
	<u>£141,494</u>	<u>£139,845</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		1994
	£	£
Obligations under hire purchase contracts	12,552	13,270
Trade creditors	3,589	26,999
Current corporation tax	2,372	13,055
Advance corporation tax	3,000	2,500
Other creditors	15,156	15,268
Proposed dividend	-	10,000
Amounts due to group undertakings	99,169	91,217
	<u>£135,838</u>	<u>£172,309</u>

FOUNTAIN INDUSTRIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1995

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	£	1994 £
Loan from group undertaking	17,000	34,000
Extended credit from group undertaking	-	10,192
Obligations under hire purchase contracts	3,310	16,492
	<u>£20,310</u>	<u>£60,684</u>

The above liabilities fall due for repayment within five years.

11 DEFERRED TAXATION

Deferred taxation provided in the financial statements and the potential amounts including the amounts for which provision has been made, are as follows:

	Provision		Potential	
	£	1994 £	£	1994 £
Capital allowances in advance of depreciation	5,001	5,924	5,001	5,924
Less: Advance corporation tax	-	(2,500)	-	(2,500)
	<u>£5,001</u>	<u>£3,424</u>	<u>£5,001</u>	<u>£3,424</u>

12 CALLED UP SHARE CAPITAL

	£	1994 £
Authorised 10,000 ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
Allotted, called up and fully paid 52 (1994: 52) ordinary shares of £1 each	<u>£52</u>	<u>£52</u>

FOUNTAIN INDUSTRIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1995

13 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	£	1994 £
Profit for the financial year after taxation	9,116	42,992
Dividends	(2,000)	(14,800)
	<hr/>	<hr/>
	7,116	28,192
Opening shareholders' funds at 1 January 1995	144,091	115,899
	<hr/>	<hr/>
Closing shareholders' funds at 31 December 1995	<u>£151,207</u>	<u>£144,091</u>

14 CONTINGENT LIABILITY

There are no such liabilities to report.

15 COMMITMENTS

Capital commitments

There were no items contracted for, nor authorised by the directors but not contracted for at 31 December 1995. (1994: Nil).

Lease commitments - operating leases

At 31 December 1995 the company had annual commitments of £578 (1994: £578) under non-cancellable operating leases which expire within one to two years and annual commitments of £23,648 (1994 £23,647) under non-cancellable leases which expire after five years.

16 ULTIMATE HOLDING COMPANY

The ultimate holding company is Vortan International Holdings N.V. a company incorporated in the Netherlands Antilles.