

Co No: 1067795

**Report of the Directors and  
Financial Statements  
for the year ended 31 December 2001  
for  
AVL United Kingdom Ltd**



**AVL United Kingdom Ltd**

**Contents of the Financial Statements  
for the year ended 31 December 2001**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Auditors</b>	<b>3</b>
<b>Profit and Loss Account</b>	<b>4</b>
<b>Balance Sheet</b>	<b>5</b>
<b>Cash Flow Statement</b>	<b>6</b>
<b>Notes to the Cash Flow Statement</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>9</b>
<b>Trading and Profit and Loss Account</b>	<b>18</b>

**AVL United Kingdom Ltd**  
**Company Information**  
**for the year ended 31 December 2001**

<b>DIRECTORS:</b>	H O List R M Gurden
<b>SECRETARY:</b>	R. Whitby
<b>REGISTERED OFFICE:</b>	Century House Gadbrook Park Northwich Cheshire CW9 7TL
<b>REGISTERED NUMBER:</b>	1067795 (England and Wales)
<b>AUDITORS:</b>	Cooper Taylor Chartered Accountants Registered Auditors The Dowery Barker Street Nantwich      Cheshire CW5 5TE
<b>BANKERS:</b>	NatWest Northwich Branch The Bull Ring Northwich CHESHIRE CW9 5BN
<b>SOLICITORS:</b>	Smith Whittingham Dysart Buildings Nantwich Cheshire CW5 5DW

**AVL United Kingdom Ltd**

**Report of the Directors  
for the year ended 31 December 2001**

The directors present their report with the financial statements of the company for the year ended 31 December 2001.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of providing marketing and support in the United Kingdom with regard to powertrain engineering consulting, test systems and instrumentation provided by AVL Holding GmbH, the ultimate holding company.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2001.

**DIRECTORS**

The directors during the year under review were:

H O List  
R M Gurden

The directors holding office at 31 December 2001 did not hold any beneficial interest in the issued share capital of the company at 1 January 2001 or 31 December 2001.

**STATEMENT OF 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;
- 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 to 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**

The auditors, Cooper Taylor, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



R M Gurden - DIRECTOR

Dated: 26 February 2002

AVL United Kingdom Ltd

**Report of the Independent Auditors to the Shareholders of  
AVL United Kingdom Ltd**

We have audited the financial statements of AVL United Kingdom Ltd for the year ended 31 December 2001 on pages four to seventeen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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.

**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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Cooper Taylor*

Cooper Taylor  
Chartered Accountants  
Registered Auditors  
The Dowery  
Barker Street  
Nantwich Cheshire  
CW5 5TE

Dated: *28 February 2002*

**AVL United Kingdom Ltd**

**Profit and Loss Account  
for the year ended 31 December 2001**

	Notes	2001		2000	
		£	£	£	£
<b>TURNOVER</b>	2		12,666,319		7,928,940
Change in stocks of finished goods and work in progress			(71,116)		(247,723)
			12,595,203		7,681,217
Raw materials and consumables		7,062,544		3,946,135	
Other external charges		42,549		37,331	
			7,105,093		3,983,466
			5,490,110		3,697,751
Staff costs	3	3,319,375		2,330,970	
Depreciation		440,844		399,620	
Other operating charges		1,551,010		1,452,605	
			5,311,229		4,183,195
<b>OPERATING PROFIT/(LOSS)</b>	4		178,881		(485,444)
Interest receivable and similar income			12,332		31,224
			191,213		(454,220)
Interest payable and similar charges	5		25,411		57,629
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			165,802		(511,849)
Tax on profit/(loss) on ordinary activities	6		57,836		(158,012)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>			107,966		(353,837)
Deficit brought forward			(443,344)		(89,507)
<b>DEFICIT CARRIED FORWARD</b>			£(335,378)		£(443,344)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.


The notes form part of these financial statements

AVL United Kingdom Ltd

Balance Sheet  
31 December 2001

		2001		2000	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	7		756,255		872,182
<b>CURRENT ASSETS:</b>					
Stocks	8	1,186,981		1,186,439	
Debtors within one year	9	4,921,390		3,229,079	
Debtors more than one year	9	105,000		160,000	
Cash at bank and in hand		<u>445,723</u>		<u>885,574</u>	
		6,659,094		5,461,092	
<b>CREDITORS:</b> Amounts falling due within one year	10	<u>6,559,479</u>		<u>5,544,279</u>	
<b>NET CURRENT ASSETS/(LIABILITIES):</b> (Including debtors more than one year of £105,000)			99,615		(83,187)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			855,870		788,995
<b>CREDITORS:</b> Amounts falling due after more than one year	11		-		41,091
			<u>£855,870</u>		<u>£747,904</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	15		1,180,000		1,180,000
Share premium	16		11,248		11,248
Profit and loss account			<u>(335,378)</u>		<u>(443,344)</u>
<b>SHAREHOLDERS' FUNDS:</b>	21		<u>£855,870</u>		<u>£747,904</u>

ON BEHALF OF THE BOARD:



R M Gurden - DIRECTOR

Approved by the Board on

26/2/2002

The notes form part of these financial statements

AVL United Kingdom Ltd

**Cash Flow Statement  
for the year ended 31 December 2001**

	Notes	2001		2000	
		£	£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>	1		(1,322,250)		462,318
<b>Returns on investments and servicing of finance</b>	2		(13,079)		(31,205)
<b>Taxation</b>			-		100,262
<b>Capital expenditure</b>	2		(324,917)		(276,618)
			<u>(1,660,246)</u>		<u>254,757</u>
<b>Financing</b>	2		1,459,177		671,595
<b>(Decrease)/Increase in cash in the period</b>			<u>£(201,069)</u>		<u>£926,352</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net funds</b>	3				
<b>(Decrease)/Increase in cash in the period</b>			(201,069)		926,352
Cash outflow from decrease in debt and lease financing			<u>118,751</u>		<u>122,117</u>
Change in net funds resulting from cash flows			<u>(82,318)</u>		<u>1,048,469</u>
<b>Movement in net funds in the period</b>			<u>(82,318)</u>		<u>1,048,469</u>
<b>Net funds/(debt) at 1 January</b>			<u>486,950</u>		<u>(561,519)</u>
<b>Net funds at 31 December</b>			<u>£404,632</u>		<u>£486,950</u>

The notes form part of these financial statements



**AVL United Kingdom Ltd**

**Notes to the Cash Flow Statement  
for the year ended 31 December 2001**

**1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2001 £	2000 £
Operating profit/(loss)	178,881	(485,444)
Depreciation charges	439,400	419,693
Loss on sale of fixed assets	1,444	-
Profit on sale of fixed assets	-	(20,073)
(Increase)/Decrease in stocks	(542)	71,369
(Increase)/Decrease in debtors	(2,108,020)	258,513
Increase in creditors	166,587	218,260
	<hr/>	<hr/>
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,322,250)</b>	<b>462,318</b>
	<hr/>	<hr/>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2001 £	2000 £
<b>Returns on investments and servicing of finance</b>		
Interest received	12,332	31,224
Interest paid	(585)	(30,793)
Interest element of finance lease rentals payments	(24,826)	(31,636)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	<b>(13,079)</b>	<b>(31,205)</b>
	<hr/>	<hr/>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(333,067)	(331,619)
Sale of tangible fixed assets	8,150	55,001
	<hr/>	<hr/>
Net cash outflow for capital expenditure	<b>(324,917)</b>	<b>(276,618)</b>
	<hr/>	<hr/>
<b>Financing</b>		
Increase / (decrease) in group borrowings	1,577,928	143,712
Loan advances/ (repayments) in year	-	(350,000)
Capital element of finance lease repayments	(118,751)	(122,117)
Cash receipt re share issue	-	1,000,000
	<hr/>	<hr/>
Net cash inflow from financing	<b>1,459,177</b>	<b>671,595</b>
	<hr/>	<hr/>

The notes form part of these financial statements

AVL United Kingdom Ltd

Notes to the Cash Flow Statement  
for the year ended 31 December 2001

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.01 £	Cash flow £	At 31.12.01 £
Net cash:			
Cash at bank and in hand	885,574	(439,851)	445,723
Bank overdraft	(238,782)	238,782	-
	<u>646,792</u>	<u>(201,069)</u>	<u>445,723</u>
Debt:			
Finance leases	(159,842)	118,751	(41,091)
	<u>(159,842)</u>	<u>118,751</u>	<u>(41,091)</u>
Total	<u>486,950</u>	<u>(82,318)</u>	<u>404,632</u>
<b>Analysed in Balance Sheet</b>			
Cash at bank and in hand	885,574		445,723
Bank overdraft	(238,782)		-
Finance leases			
within one year	(118,751)		(41,091)
after one year	(41,091)		-
	<u>486,950</u>		<u>404,632</u>

The notes form part of these financial statements

**Notes to the Financial Statements  
for the year ended 31 December 2001**

**1. ACCOUNTING POLICIES**

**Accounting convention**

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

**Turnover**

Turnover represents net invoiced sales of goods and services, excluding value added tax. Amounts invoiced on short term contracts which are not sufficiently complete at the year end to recognise turnover and profit thereon are shown as payments on account within creditors; amounts falling due within one year. Amounts yet to be invoiced on short term contracts which are sufficiently complete at the year end to recognise turnover and profit thereon are shown in prepayments and accrued income within debtors.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on cost
Office equipment and fixtures	- 10% on cost and 25% on cost

**Stocks**

Stock and work in progress are valued at 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. Stocks of spare parts are valued at cost where products are still being supported by the company and AVL group. Stocks of spare parts relating to products no longer supported are not valued.

**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 transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Pensions**

The company operates a defined contribution pension scheme. A scheme available to all employees was introduced in 2001. Contributions payable for the year are charged in the profit and loss account.

**Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all timing differences.

Deferred tax assets are recognised where, in the opinion of the directors, it is more likely than not that sufficient taxable profits will be made available in the future to facilitate their release.

Discounting of provisions for deferred tax or deferred tax assets is not applied.

# AVL United Kingdom Ltd

## Notes to the Financial Statements for the year ended 31 December 2001

### 1. ACCOUNTING POLICIES - continued

#### Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

### 2. TURNOVER

The turnover and profit (2000 - loss) before taxation are attributable to the principal activities of the company.

Included in turnover are sales to Europe totalling £118,490 (2000 - £597,909) and to the rest of the world of £nil (2000 - £16,902). In addition the company made sales to overseas group companies of £5,673,609 (2000 - £3,197,147).

### 3. STAFF COSTS

	2001 £	2000 £
Wages and salaries	2,959,412	2,111,344
Social security costs	312,908	217,126
Other pension costs	47,055	2,500
	<u>3,319,375</u>	<u>2,330,970</u>

The average monthly number of employees during the year was as follows:

	2001	2000
Sales, service and administration	92	68
	<u>  </u>	<u>  </u>

### 4. OPERATING PROFIT/(LOSS)

The operating profit (2000 - operating loss) is stated after charging/(crediting):

	2001 £	2000 £
Rent	169,782	128,876
Depreciation - owned assets	334,702	283,524
Depreciation - assets on finance leases	104,698	136,169
Loss/(Profit) on disposal of fixed assets	1,444	(20,073)
Auditors' remuneration	15,000	15,000
Non-audit work	3,050	7,938
Foreign exchange differences	(138,079)	(31,108)
Motor vehicle leasing	170,258	131,436
Hire of plant and machinery	13,068	10,395
	<u>  </u>	<u>  </u>
Directors' emoluments	85,808	67,428
	<u>  </u>	<u>  </u>

**AVL United Kingdom Ltd**

**Notes to the Financial Statements  
for the year ended 31 December 2001**

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2001 £	2000 £
Bank loan interest	-	20,149
Interest due on overdue taxation	585	-
Interest payable to ultimate holding company	-	5,844
Leasing charges	24,826	31,636
	<u>25,411</u>	<u>57,629</u>

**6. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2001 £	2000 £
Current tax:		
UK corporation tax	2,836	-
(Under) / over provision in earlier years	-	(262)
Total current tax	2,836	(262)
Deferred tax:		
Deferred taxation	55,000	(157,750)
Tax on profit/(loss) on ordinary activities	<u>57,836</u>	<u>(158,012)</u>

UK corporation tax has been charged at 30% (2000 - 30%).

**Factors affecting the tax charge/(credit)**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2001 £	2000 £
Profit/(loss) on ordinary activities before tax	<u>165,802</u>	<u>(511,849)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2000 - 30%)	49,741	-
Effects of:		
Expenses not deductible for tax purposes	8,047	6,605
Depreciation for the period in excess of capital allowances	17,891	(4)
Utilisation of tax losses	(71,979)	(5,653)
Lower rate of tax on chargeable investment income for the year	(864)	-
Non-taxable income	-	(948)
Adjustments to tax charge in respect of previous periods	-	(262)
Current tax charge/(credit)	<u>2,836</u>	<u>(262)</u>

**AVL United Kingdom Ltd**

**Notes to the Financial Statements  
for the year ended 31 December 2001**

**6. TAXATION - continued**

**Factors that may affect future tax charges**

Based on future capital investment plans, the company expects to be able to claim capital allowances in excess of depreciation in future years.

The company has tax losses in the region of £250,000 available to offset future trading profits. The company expects that sufficient suitable taxable profits will be available in future years to utilise these losses.

The deferred tax asset of £105,000 included in Debtors: Amounts falling due after more than one year relates to these timing differences and tax losses.

**7. TANGIBLE FIXED ASSETS**

	Plant and machinery	Office equipment and fixtures	Totals
	£	£	£
<b>COST:</b>			
At 1 January 2001	248,853	1,881,566	2,130,419
Additions	29,399	303,668	333,067
Disposals	(43,117)	(327,772)	(370,889)
	<hr/>	<hr/>	<hr/>
At 31 December 2001	235,135	1,857,462	2,092,597
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION:</b>			
At 1 January 2001	182,258	1,075,979	1,258,237
Charge for year	37,977	401,423	439,400
Eliminated on disposals	(43,117)	(318,178)	(361,295)
	<hr/>	<hr/>	<hr/>
At 31 December 2001	177,118	1,159,224	1,336,342
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE:</b>			
At 31 December 2001	58,017	698,238	756,255
	<hr/>	<hr/>	<hr/>
At 31 December 2000	66,594	805,588	872,182
	<hr/>	<hr/>	<hr/>

AVL United Kingdom Ltd

Notes to the Financial Statements  
for the year ended 31 December 2001

7. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under finance leases are as follows:

	Office equipment and fixtures
	£
<b>COST:</b>	
At 1 January 2001	371,831
Disposals	(91,907)
	<hr/>
At 31 December 2001	279,924
	<hr/>
<b>DEPRECIATION:</b>	
At 1 January 2001	226,042
Charge for year	104,698
Eliminated on disposals	(91,907)
	<hr/>
At 31 December 2001	238,833
	<hr/>
<b>NET BOOK VALUE:</b>	
At 31 December 2001	41,091
	<hr/>
At 31 December 2000	145,789
	<hr/>

8. **STOCKS**

	2001 £	2000 £
Stock	1,099,141	1,027,483
Work in progress	87,840	158,956
	<hr/>	<hr/>
	1,186,981	1,186,439
	<hr/>	<hr/>

There is no material difference between the carrying value of stocks and their replacement values.

AVL United Kingdom Ltd

Notes to the Financial Statements  
for the year ended 31 December 2001

9. **DEBTORS**

	2001 £	2000 £
Amounts falling due within one year:		
Trade debtors	3,951,209	2,480,446
Other debtors	222,839	258,730
Prepayments & accrued income	744,668	71,520
Amounts due from group companies	1,674	417,383
Amounts due from holding company	1,000	1,000
	<u>4,921,390</u>	<u>3,229,079</u>
Amounts falling due after more than one year:		
Deferred tax asset	<u>105,000</u>	<u>160,000</u>
Aggregate amounts	<u>5,026,390</u>	<u>3,389,079</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001 £	2000 £
Bank loans and overdrafts (see note 12)	-	238,782
Finance leases (see note 13)	41,091	118,751
Trade creditors	499,106	192,225
Other creditors	11,621	-
V.A.T.	588,033	307,934
Social security & other taxes	103,332	79,078
Amounts due to group companies	4,943,706	3,781,485
Deferred income	55,740	24,747
Payments on account	118,927	557,168
Taxation	2,836	-
Accruals	195,087	244,109
	<u>6,559,479</u>	<u>5,544,279</u>

The company does not have any overdraft facilities with its bankers. The company maintains sufficient working capital as a result of the amounts owed to group companies. The company expects that this support will be maintained.

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2001 £	2000 £
Finance leases (see note 13)	<u>-</u>	<u>41,091</u>



AVL United Kingdom Ltd

Notes to the Financial Statements  
for the year ended 31 December 2001

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2001 £	2000 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	238,782

13. OBLIGATIONS UNDER LEASING AGREEMENTS

	2001 £	2000 £
Gross obligations repayable:		
Within one year	49,160	143,577
Between one and five years	-	49,160
	<u>49,160</u>	<u>192,737</u>
Finance charges repayable:		
Within one year	8,069	24,826
Between one and five years	-	8,069
	<u>8,069</u>	<u>32,895</u>
Net obligations repayable:		
Within one year	41,091	118,751
Between one and five years	-	41,091
	<u>41,091</u>	<u>159,842</u>

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2001 £	2000 £	2001 £	2000 £
Expiring:				
Within one year	37,812	3,030	7,259	30,309
Between one and five years	67,228	67,228	44,765	67,275
In more than five years	195,693	58,894	-	-
	<u>300,733</u>	<u>129,152</u>	<u>52,024</u>	<u>97,584</u>

**AVL United Kingdom Ltd**

**Notes to the Financial Statements  
for the year ended 31 December 2001**

**14. SECURED DEBTS**

The following secured debts are included within creditors:

	2001	2000
	£	£
Finance leases	<u>41.091</u>	<u>159.842</u>

The amounts due on finance leases are secured on the financed assets.

**15. CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	2001	2000
			£	£
2,000,000	Ordinary	£1	<u>2,000,000</u>	<u>2,000,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2001	2000
			£	£
1,180,000	Ordinary	£1	<u>1,180,000</u>	<u>1,180,000</u>

**16. SHARE PREMIUM**

	2001	2000
	£	£
Brought forward	<u>11.248</u>	<u>11.248</u>

**17. ULTIMATE PARENT COMPANY**

The share capital is owned by AVL UK Holdings Limited, a company registered in England and Wales. The ultimate holding company is AVL Holding GmbH, a company registered in Austria.

**18. CONTINGENT LIABILITIES**

The company has entered into a guarantee dated 27 July 1984 to HM Customs & Excise to the value of £20,000 with recourse.

**19. CAPITAL COMMITMENTS**

	2001	2000
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>44,052</u>

**20. RELATED PARTY DISCLOSURES**

No related party disclosures are given in respect of transactions with group companies as the company is included in the consolidated accounts of AVL Holding GmbH. There are no related parties other than group companies.

AVL United Kingdom Ltd

Notes to the Financial Statements  
for the year ended 31 December 2001

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit/(Loss) for the financial year	107,966	(353,837)
Issue of shares	-	1,000,000
<b>Net addition to shareholders' funds</b>	<u>107,966</u>	<u>646,163</u>
Opening shareholders' funds	747,904	101,741
<b>Closing shareholders' funds</b>	<u><u>855,870</u></u>	<u><u>747,904</u></u>
 Equity interests	 <u><u>855,870</u></u>	 <u><u>747,904</u></u>