

Register

REGISTERED NUMBER: 1067795 (England and Wales)

Abbreviated Financial Statements for the year ended 31 December 1995

for

A V L United Kingdom Ltd



A V L United Kingdom Ltd

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for the year ended 31 December 1995**

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A V L United Kingdom Ltd

**Company Information
for the year ended 31 December 1995**

DIRECTORS: H O List
J M Read

SECRETARY: D.M. Matthews

REGISTERED OFFICE: Theatre Court
London Road
Northwich
Cheshire
CW9 5HB

REGISTERED NUMBER: 1067795 (England and Wales)

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

BANKERS: National Westminster Bank PLC
P O Box 30
The Bull Ring
Northwich
Cheshire
CW9 5DU

SOLICITORS: Smith Whittingham
Dysart Buildings
Nantwich
Cheshire
CW5 5DW

A V L United Kingdom Ltd

Report of the Directors for the year ended 31 December 1995

The directors present their report with the financial statements of the company for the year ended 31 December 1995.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing marketing and support in the United Kingdom with regard to engine engineering, consulting, test systems and instrumentation provided by AVL Verwaltungsgesellschaft mbH, an Austrian company.

REVIEW OF BUSINESS

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

DIVIDENDS AND TRANSFERS TO RESERVES

No dividends will be distributed for the year ended 31 December 1995. The deficit transferred to reserves will be £1,730.

DIRECTORS

The directors during the year under review were:

H O List
J M Read

The directors holding office at 31 December 1995 did not hold any beneficial interest in the issued share capital of the company at 1 January 1995 or 31 December 1995.

CHANGES IN FIXED ASSETS

Details of changes to fixed assets are shown in the notes to the financial statements. The demonstration equipment previously included in fixed assets has been transferred to stock during the year in line with group accounting policies.

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 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 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:

.....
J M Read - DIRECTOR

Dated: 31-5-96

A V L United Kingdom Ltd

**Report of the Auditors to
A V L United Kingdom Ltd
Pursuant to Paragraph 24 of Schedule 8 of the Companies Act 1985**

We have examined the abbreviated financial statements on pages five to sixteen together with the full financial statements of A V L United Kingdom Ltd prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 six and whether the abbreviated financial statements 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 financial statements 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 B of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1995, and the abbreviated financial statements on pages five to sixteen have been properly prepared in accordance with that Schedule.

Other information

On 31 May 1996 we reported, as auditors of A V L United Kingdom Ltd, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1995, and our audit report was as follows:

"We have audited the financial statements on pages four to fifteen which have been prepared under the historical cost convention and the accounting policies set out on page nine.

Respective responsibilities of directors and auditors

As described on page two 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.

A V L United Kingdom Ltd

**Report of the Auditors to
A V L United Kingdom Ltd
Pursuant to Paragraph 24 of Schedule 8 of the Companies Act 1985**

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 loss 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: *31 May 1996*

A V L United Kingdom Ltd

**Abbreviated Profit and Loss Account
for the year ended 31 December 1995**

		1995	1994
	Notes	£	£
GROSS PROFIT		1,197,225	859,216
Administrative expenses		1,181,493	838,250
OPERATING PROFIT	3	15,732	20,966
Interest receivable and similar income	4	11,925	6,097
		27,657	27,063
Interest payable and similar charges	5	29,387	25,484
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,730)	1,579
Tax on (loss)/profit on ordinary activities	6	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(1,730)	1,579
Deficit brought forward		(86,269)	(87,848)
DEFICIT CARRIED FORWARD		£(87,999)	£(86,269)

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 loss for the current year and the profit for the previous year.

A V L United Kingdom Ltd

**Abbreviated Balance Sheet
31 December 1995**

		1995		1994	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		136,217		192,654
CURRENT ASSETS:					
Stocks	8	218,255		279,723	
Debtors	9	2,404,966		1,412,565	
Cash at bank and in hand		1,190,025		188,964	
		3,813,246		1,881,252	
CREDITORS: Amounts falling due within one year	10	3,937,462		2,056,317	
NET CURRENT LIABILITIES:			(124,216)		(175,065)
TOTAL ASSETS LESS CURRENT LIABILITIES:			12,001		17,589
CREDITORS: Amounts falling due after more than one year	11		-		3,858
			£12,001		£13,731
CAPITAL AND RESERVES:					
Called up share capital	15		100,000		100,000
Profit and loss account			(87,999)		(86,269)
Shareholders' funds	18		£12,001		£13,731

Advantage has been taken of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a medium-sized company.

ON BEHALF OF THE BOARD:

.....
J M Read - DIRECTOR

Approved by the Board on 31-5-96

A V L United Kingdom Ltd

**Cash Flow Statement
for the year ended 31 December 1995**

	1995		1994	
	£	£	£	£
Net cash outflow from operating activities		(471,516)		(246,006)
Returns on investments and servicing of finance				
Interest received	11,925		6,097	
Interest paid	(26,913)		(22,526)	
Interest element of finance lease rentals payments	(2,231)		(2,409)	
Net cash outflow from returns on investments and servicing of finance		(17,219)		(18,838)
Taxation				
Corporation Tax paid	-		(4,888)	
Tax paid		-		(4,888)
Investing activities				
Purchase of tangible fixed assets	(68,021)		(78,292)	
Sale of tangible fixed assets	86,798		7,558	
Net cash inflow/(outflow) from investing activities		18,777		(70,734)
Net cash outflow before financing		(469,958)		(340,466)
Financing				
Increase in group borrowing	1,481,654		457,893	
Loan repayments in year	(1,859)		700	
Capital element of HP payments	(6,331)		(7,085)	
Net cash inflow from financing		1,473,464		451,508
Increase in cash and cash equivalents		<u>£1,003,506</u>		<u>£111,042</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the year ended 31 December 1995**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit	15,732	20,966
Depreciation charges	37,250	52,353
Loss on sale of fixed assets	407	-
Profit on sale of fixed assets	-	(6,100)
Decrease/(Increase) in stocks	61,468	(89,358)
Increase in debtors	(1,125,171)	(223,354)
Increase/(Decrease) in creditors	538,798	(513)
Net cash outflow from operating activities	(471,516)	(246,006)

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

Year ended 31 December 1995

	£
Balance at 1 January 1995	186,519
Net cash inflow	1,003,506
Balance at 31 December 1995	1,190,025

Year ended 31 December 1994

	£
Balance at 1 January 1994	75,477
Net cash inflow	111,042
Balance at 31 December 1994	186,519

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

Year ended 31 December 1995

	31.12.95 £	1.1.95 £	Change in year £
Cash at bank and in hand	1,190,025	188,964	1,001,061
Bank overdrafts	-	(2,445)	2,445
	1,190,025	186,519	1,003,506

A V L United Kingdom Ltd

Notes to the Cash Flow Statement for the year ended 31 December 1995

Year ended 31 December 1994

	31.12.94	1.1.94	Change in year
	£	£	£
Cash at bank and in hand	188,964	75,477	113,487
Bank overdrafts	(2,445)	-	(2,445)
	<u>186,519</u>	<u>75,477</u>	<u>111,042</u>

4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

Year ended 31 December 1995

	Net group borrowing	Loans and capital
	£	£
Balance at 1 January 1995	1,359,609	467,191
Increase in group borrowing	1,481,654	-
Loans repaid	-	(1,859)
Capital element of HP payments	-	(6,331)
Balance at 31 December 1995	<u>2,841,263</u>	<u>459,001</u>

Year ended 31 December 1994

	Net group borrowing	Loans and capital
	£	£
Balance at 1 January 1994	901,716	473,577
Increase in group borrowing	457,893	-
New loan	-	700
Capital element of HP payments	-	(7,086)
Balance at 31 December 1994	<u>1,359,609</u>	<u>467,191</u>

The notes form part of these financial statements

**Notes to the Abbreviated Financial Statements
for the year ended 31 December 1995**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The group has indicated that it will continue to support the company for a period of at least twelve months from the date of signing of these financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

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.

Office furniture & fittings	- 10 % on cost
Office equipment	- 12.5 % on cost
Service equipment	- 12.5 % on cost
Demonstration equipment	- 20 % on cost
Motor vehicles	- 25 % on cost
Computer equipment	- 25 % on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

A V L United Kingdom Ltd

**Notes to the Abbreviated Financial Statements
for the year ended 31 December 1995**

2. STAFF COSTS

	1995	1994
	£	£
Wages and salaries	600,782	363,053
Social security costs	61,712	46,569
Other pension costs	23,239	26,112
	<u>685,733</u>	<u>435,734</u>

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

1995	1994
24	17
<u> </u>	<u> </u>

3. OPERATING PROFIT

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

	1995	1994
	£	£
Hire of plant and machinery	83,143	37,254
Rent	26,500	26,500
Depreciation - owned assets	29,546	44,649
Depreciation - assets on hire purchase or finance leases	7,704	7,704
Loss/(Profit) on disposal of fixed assets	407	(6,100)
Auditors' remuneration	10,000	9,500
Foreign exchange differences	66,303	19,294
	<u>72,274</u>	<u>72,813</u>
Directors' emoluments (see below)	<u>72,274</u>	<u>72,813</u>

Details of individual emoluments, excluding pension contributions, were as follows:

	1995	1994
	£	£
Chairman	-	-
Highest paid director	49,035	46,701

These emoluments are included in the information which follows.

The directors' emoluments, excluding pension contributions, fell within the following ranges:

	1995	1994
£Nil - £5,000	1	1
£45,001 - £50,000	1	1

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995	1994
	£	£
Deposit account interest	<u>11,925</u>	<u>6,097</u>

A V L United Kingdom Ltd

**Notes to the Abbreviated Financial Statements
for the year ended 31 December 1995**

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Bank loans, overdrafts and other loans repayable within five years:		
otherwise than by instalments	27,156	23,075
Finance charges - hire purchase or finance leases	2,231	2,409
	<u>29,387</u>	<u>25,484</u>

6. TAXATION

No liability to UK Corporation tax arose on ordinary activities for the year ended 31 December 1995 nor for the year ended 31 December 1994.

7. TANGIBLE FIXED ASSETS

	Office furniture & fittin- gs	Office equipment	Service equipment
	£	£	£
COST:			
At 1 January 1995	57,530	14,508	43,699
Additions	1,004	12,356	3,364
	<u>58,534</u>	<u>26,864</u>	<u>47,063</u>
At 31 December 1995	58,534	26,864	47,063
DEPRECIATION:			
At 1 January 1995	23,184	7,885	20,254
Charge for year	5,798	1,882	5,354
	<u>28,982</u>	<u>9,767</u>	<u>25,608</u>
At 31 December 1995	28,982	9,767	25,608
NET BOOK VALUE:			
At 31 December 1995	<u>29,552</u>	<u>17,097</u>	<u>21,455</u>
At 31 December 1994	<u>34,347</u>	<u>6,624</u>	<u>23,446</u>

A V L United Kingdom Ltd

**Notes to the Abbreviated Financial Statements
for the year ended 31 December 1995**

	Demonstr- ation equipment	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1 January 1995	125,746	87,919	99,073	428,475
Additions	-	-	51,297	68,021
Disposals	(125,746)	(48,368)	(9,215)	(183,329)
At 31 December 1995	-	39,551	141,155	313,167
DEPRECIATION:				
At 1 January 1995	48,483	61,332	74,686	235,824
Charge for year	-	9,889	14,327	37,250
Eliminated on disposals	(48,483)	(45,341)	(2,300)	(96,124)
At 31 December 1995	-	25,880	86,713	176,950
NET BOOK VALUE:				
At 31 December 1995	-	13,671	54,442	136,217
At 31 December 1994	77,263	26,587	24,387	192,654

The demonstration equipment included in fixed assets at 31 December 1994 has been transferred to stock during the year in accordance with group accounting policies.

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

	Motor vehicles
	£
COST:	
At 1 January 1995 and 31 December 1995	30,811
DEPRECIATION:	
At 1 January 1995	11,556
Charge for year	7,704
At 31 December 1995	19,260
NET BOOK VALUE:	
At 31 December 1995	11,551
At 31 December 1994	19,255

A V L United Kingdom Ltd

**Notes to the Abbreviated Financial Statements
for the year ended 31 December 1995**

8. STOCKS

	1995 £	1994 £
Stock	127,175	279,723
Demonstration equipment	91,080	-
	<u>218,255</u>	<u>279,723</u>

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

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1995 £	1994 £
Trade debtors	2,312,925	1,195,545
Other debtors	18,717	20,000
Prepayments & accrued income	17,800	8,726
Amounts due from group companies	55,524	188,294
	<u>2,404,966</u>	<u>1,412,565</u>

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

	1995 £	1994 £
Bank loans and overdrafts (see note 12)	122	4,426
San Paolo Bank Loan (see note 12)	350,000	350,000
Hire purchase and finance leases (see note 13)	8,879	11,352
Trade creditors	75,979	68,675
Other creditors	1,572	-
V.A.T.	373,964	32,226
Social security & other taxes	19,083	17,935
Amounts due to group companies	2,896,787	1,547,906
Accruals & deferred income	211,076	23,797
	<u>3,937,462</u>	<u>2,056,317</u>

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

	1995 £	1994 £
Hire purchase and finance leases (see note 13)	-	3,858
	<u>-</u>	<u>3,858</u>

A V L United Kingdom Ltd

**Notes to the Abbreviated Financial Statements
for the year ended 31 December 1995**

12. LOANS AND OVERDRAFTS

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

	1995 £	1994 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	2,445
Bank loans	122	1,981
San Paolo Bank Loan	350,000	350,000
	<u>350,122</u>	<u>354,426</u>

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	1995 £	Hire purchase contracts 1994 £
Gross obligations repayable:		
Within one year	9,105	13,659
Between one and five years	-	4,009
	<u>9,105</u>	<u>17,668</u>
Finance charges repayable:		
Within one year	226	2,307
Between one and five years	-	151
	<u>226</u>	<u>2,458</u>
Net obligations repayable:		
Within one year	8,879	11,352
Between one and five years	-	3,858
	<u>8,879</u>	<u>15,210</u>

Notes to the Abbreviated Financial Statements
for the year ended 31 December 1995

14. **PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:

	Provided		Not provided	
	1995	1994	1995	1994
	£	£	£	£
Capital allowances in advance of depreciation	-	-	-	2,309
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,309</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,309</u>

15. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1995	1994
		£1	£	£
100,000	Ordinary		100,000	100,000
			<u>100,000</u>	<u>100,000</u>

16. **ULTIMATE PARENT COMPANY**

The share capital is owned by AVL UK Holdings Limited. The ultimate holding company is AVL Verwaltungsgesellschaft mbH, a company registered in Austria.

17. **OTHER FINANCIAL COMMITMENTS**

The company has annual commitments under operating leases for plant and machinery which total £92,000. These commitments are split between leases ending within one year £5,396, between one and two years £55,456 and between two and five years £31,148.

18. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1995	1994
	£	£
(Loss)/Profit for the financial year	(1,730)	1,579
NET (REDUCTION)/ADDITION TO SHAREHOLDERS' FUNDS	<u>(1,730)</u>	<u>1,579</u>
Opening shareholders' funds	13,731	12,152
CLOSING SHAREHOLDERS' FUNDS	<u>12,001</u>	<u>13,731</u>
Equity interests	<u>12,001</u>	<u>13,731</u>

19. **RELATED PARTY TRANSACTIONS**

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