

Ishida-Bishopbarn Limited

Report and Accounts

20 March 1997



Ishida-Bishopbarn Limited

Registered No. 2839895

DIRECTORS

G J Clements (Chairman)
A M Sunter

SECRETARY

A M Hicks

REGISTERED OFFICE

8 Ramsey Road
Sydenham Industrial Estate
Leamington Spa
Warwickshire
CV31 1PG

AUDITORS

Ernst & Young
One Colmore Row
Birmingham
B3 2DB

BANKERS

Lloyds Bank plc
22A Great Hampton Street
Birmingham
B18 6AH

DIRECTORS' REPORT

The directors present their report and accounts, for the year ended 20 March 1997.

REVIEW OF THE BUSINESS

The principal activity of the company is the design, development and manufacture of packaging equipment and seal integrity testing equipment.

During the year, the company continued a development programme, partly supported by the ultimate parent company and manufactured machinery principally for supply to fellow group undertakings. During 1997/98 the trade of the company is to be transferred to a fellow group undertaking.

RESULTS AND DIVIDENDS

The results of the company for the year ended 20 March 1997 are set out in the financial statements.

The loss for the year of £298,000 (1996: Loss of £113,000) has been transferred to reserves. As there are no distributable reserves, the directors are unable to recommend the payment of a dividend.

FIXED ASSETS

Details of changes in fixed assets are given in note 8 of the financial statements.

DIRECTORS

The directors during the year were as follows:

G J Clements
A M Sunter

None of the directors held any shares in the company or any other group company during the year.

TAXATION STATUS OF THE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



A M Hicks
Secretary

4 June 1997

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Ishida-Bishopbarn Limited

We have audited the accounts on pages 5 to 11, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

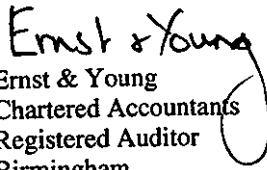
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 20 March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Ernst & Young', with a large circular flourish at the end.
Ernst & Young
Chartered Accountants
Registered Auditor
Birmingham
4 June 1997

Ishida-Bishopbarn Limited

PROFIT AND LOSS ACCOUNT for the year ended 20 March 1997

	<i>Notes</i>	<i>1997 £000</i>	<i>1996 £000</i>
TURNOVER	3	164	190
Raw materials and consumables		98	96
Staff costs	6	192	189
Depreciation		65	27
Other operating charges		179	73
		<u>534</u>	<u>379</u>
OPERATING LOSS	4	(370)	(189)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(370)</u>	<u>(189)</u>
Tax credit on loss on ordinary activities	7	72	76
RETAINED LOSS FOR THE FINANCIAL YEAR	14	<u>(298)</u>	<u>(113)</u>

A statement of movements in reserves is given in note 14 to the financial statements.

STATEMENT OF RECOGNISED GAINS AND LOSSES TOTALS

There are no recognised gains and losses other than the loss attributable to the shareholders of the company of £298,000 for the year ended 20 March 1997 and the loss of £113,000 for the year ended 20 March 1996.

Ishida-Bishopbarn Limited

BALANCE SHEET

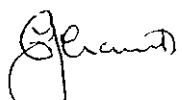

at 20 March 1997

	Notes	1997 £000	1996 £000
FIXED ASSETS			
Tangible assets	8	40	105
CURRENT ASSETS			
Stocks	9	4	43
Debtors	10	418	272
Cash at bank and in hand		6	28
		428	343
CREDITORS: amounts falling due within one year	11	(342)	(104)
NET CURRENT ASSETS		86	239
TOTAL ASSETS LESS CURRENT LIABILITIES		126	344
CREDITORS: amounts falling due after more than one year	12	(702)	(622)
NET LIABILITIES		(576)	(278)
CAPITAL AND RESERVES			
Called up equity share capital	13	-	-
Profit and loss account	14	(576)	(278)
		(576)	(278)

G J Clements

A M Sunter

4 June 1997

)
Directors


NOTES TO THE FINANCIAL STATEMENTS
at 20 March 1997

1. **FUNDAMENTAL ACCOUNT CONCEPT**

The financial statements have been prepared under the going concern concept because the parent company has agreed to provide adequate funds for the company to meet its liabilities as they fall due.

2. **ACCOUNTING POLICIES**

Basis of Accounting

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

Turnover

Turnover represents the amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Plant, vehicles and equipment - over 4 to 10 years

Operating Leases

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

Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Research and development

Research and development expenditure is written off as incurred.

Deferred taxation

Provision for deferred taxation is made using the liability method on all timing differences only to the extent that it is probable that a liability will crystallise, calculated at the rate at which it is anticipated that the timing differences will reverse.

Foreign currencies

Transactions in foreign currencies are translated into Sterling at rates of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling that the balance sheet date other than transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract which are translated at those contracted rates.

Differences arising on the translation of such items are taken to the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

NOTES TO THE FINANCIAL STATEMENTS
at 20 March 1997

3. **TURNOVER**

The turnover and pre-tax result for the year are attributable to the continuing principal activity, the design, development and manufacture of packaging equipment.

	<i>1997</i> <i>£000</i>	<i>1996</i> <i>£000</i>
Geographical analysis of turnover:		
UK and Europe	164	186
Other	-	4
	<u>164</u>	<u>190</u>

4. **OPERATING LOSS**

This is stated after charging:

	<i>1997</i> <i>£000</i>	<i>1996</i> <i>£000</i>
Depreciation of owned fixed assets	65	26
Auditors' remuneration	4	4
Operating lease rentals - land and buildings	48	32
	<u>117</u>	<u>62</u>

5. **DIRECTORS**

No directors received any emoluments from the company. The directors at the end of the period are all officers of other group companies and their emoluments have been charged in the accounts of those companies.

6. **STAFF COSTS**

	<i>1997</i> <i>£000</i>	<i>1996</i> <i>£000</i>
Wages and salaries	166	163
Social security costs	16	16
Pensions and other benefits	10	10
	<u>192</u>	<u>189</u>

The average weekly number of employees (including directors) during the year was made up as follows:

	<i>1997</i> <i>No.</i>	<i>1996</i> <i>No.</i>
Production	10	11
Administration	1	1
	<u>11</u>	<u>12</u>

NOTES TO THE FINANCIAL STATEMENTS
at 20 March 1997

7. TAXATION

	1997 £000	1996 £000
Based on the profit for the year:		
UK corporation tax at 33%	(72)	(67)
Corporation tax over provided in previous years	-	(9)
	<u>(72)</u>	<u>(76)</u>

8. TANGIBLE FIXED ASSETS

	<i>Plant, vehicles & equipment £000</i>
Cost:	
At 21 March 1996	176
Additions	-
At 20 March 1997	<u>176</u>
Depreciation:	
At 21 March 1996	71
Provided during the year	65
At 20 March 1997	<u>136</u>
Net book values:	
At 20 March 1997	<u>40</u>
At 21 March 1996	<u>105</u>

9. STOCKS

	1997 £000	1996 £000
Raw material and components	<u>4</u>	<u>43</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

10. DEBTORS

	1997 £000	1996 £000
Trade debtors	13	4
Amounts due from group undertakings	326	199
Corporation tax recoverable	72	67
Prepayments and accrued income	7	2
	<u>418</u>	<u>272</u>

NOTES TO THE FINANCIAL STATEMENTS
at 20 March 1997

11. CREDITORS: amounts falling due within one year

	1997 £000	1996 £000
Trade creditors	33	41
Amounts due to group undertaking	107	9
Other taxes and social security costs	37	5
Accruals	165	49
	<u>342</u>	<u>104</u>

12. CREDITORS - amounts falling due after more than one year

	1997 £000	1996 £000
Loan from immediate parent undertaking	702	622
The loan from the immediate parent undertaking bears no interest and has no fixed repayment date.		

13. SHARE CAPITAL

	1997 £	Authorised 1996 £
Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>
	<i>Allotted, issued and fully paid</i>	
	1997	1996
	No.	No.
	£	£
Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

14. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £000	Profit & loss account £000	Total Shareholders' Funds £000
At 21 March 1995	-	(165)	(165)
Loss retained for the year	-	(113)	(113)
	<u>-</u>	<u>(278)</u>	<u>(278)</u>
At 21 March 1996	-	(278)	(278)
Loss retained for the year	-	(298)	(298)
	<u>-</u>	<u>(576)</u>	<u>(576)</u>
At 20 March 1997	-	(576)	(576)

NOTES TO THE FINANCIAL STATEMENTS

at 20 March 1997

15. OTHER FINANCIAL COMMITMENTS

At 20 March 1997, the company had annual commitments under non-cancellable operating leases as follows:

	<i>Land & Buildings</i>	
	<i>1997</i>	<i>1996</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire:		
Within one year	32	32
In two to five years	-	-
	<u>32</u>	<u>32</u>

16. PROFIT AND LOSS ACCOUNT

The directors are of the opinion that format 2 better represents the trade of the business and the results thereof. Therefore a change from format 1 to format 2 has been adopted in the year. The comparatives have been adjusted accordingly.

17. PENSION COMMITMENTS

The company is a member of the Group Personal Pension Scheme, a defined contribution pension scheme. The contributions made by the company to individual employee personal pension plans are based on matching gross employee contributions as a percentage of salary, with a maximum limit, plus a further element dependant on length of service. Contributions continue during the employment period only. The company funds life assurance for all employees.

18. PARENT UNDERTAKINGS

The Ultimate Parent Undertaking is Ishida Co., Limited, incorporated in Japan.

The immediate parent undertaking is Ishida Europe Ltd, a company registered in England and Wales.

Copies of the accounts of Ishida Europe Ltd can be obtained from:

The Secretary
Ishida Europe Limited
Crystal Drive
Smethwick
West Midlands
B66 1RJ