

2 8 3 9 8 9 5

ISHIDA-BISHOPBARN LIMITED

FINANCIAL STATEMENTS

20TH MARCH 1995



ISHIDA-BISHOPBARN LIMITED

INDEX

20TH MARCH 1995

	<u>Page</u>
COMPANY INFORMATION	1
REPORT OF THE DIRECTORS	2
STATEMENT OF DIRECTORS' RESPONSIBILITIES	5
REPORT OF THE AUDITORS	6
PROFIT AND LOSS ACCOUNT	7
BALANCE SHEET	8
NOTES TO THE FINANCIAL STATEMENTS	9

ISHIDA-BISHOPBARN LIMITED

- 1 -

COMPANY INFORMATION

20TH MARCH 1995

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
Windsor House
3 Temple Row
BIRMINGHAM
B2 5LA

BANKERS

Lloyds Bank plc
Great Hampton Street Branch
22A Great Hampton Street
BIRMINGHAM
B18 6AH

COMPANY NUMBER

2839895

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 20th March 1995.

REVIEW OF THE BUSINESS

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

On 21st May 1994, the company acquired certain of the assets and intellectual property rights of Ishida-Nonpareil Ltd.

During the year, the company continued a development programme, partly supported by the ultimate parent company, and it is expected that further products will be available for sale in the second half of next year.

On 20th March 1995, the company sold its patents and intellectual property rights to the ultimate parent company.

RESULTS AND DIVIDENDS

The results of the company for the period ended 20th March 1995 are set out in the financial statements.

The loss for the period of £77,000 has been transferred to reserves. As there are no distributable reserves, the Directors are unable to recommend the payment of a dividend.

REPORT OF THE DIRECTORS - continued

FIXED ASSETS

Details of changes in fixed assets are given in Note 9 of the financial statements.

DIRECTORS

The Directors during the period were:

G J Clements

A M Sunter

N P Fleming (ceased 31/10/95)

None of the Directors held any shares in the company or any other group company during the period.

TAXATION STATUS OF THE COMPANY

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

REPORT OF THE DIRECTORS - continued

AUDITORS

Messrs Ernst and Young have indicated their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming Annual General Meeting.

APPROVED BY THE BOARD ON 18TH DECEMBER 1995

SIGNED ON ITS BEHALF BY

A handwritten signature in dark ink, appearing to be 'A M Hicks', written in a cursive style.

A M Hicks
Secretary

8 Ramsey Road
Sydenham Industrial Estate
LEAMINGTON SPA
Warwickshire
CV31 1PG

**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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 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. 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

- 6 -

ISHIDA-BISHOPBARN LIMITED

We have audited the accounts on pages 7 to 17 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 9 and 10.

Respective Responsibilities of Directors and Auditors

As described on page 5, 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 mis-statement, 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 accounts give a true and fair view of the state of affairs of the company as at 20th March 1995 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Chartered Accountants
Registered Auditor
Birmingham

18th December 1995

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 20TH MARCH 1995

	Notes	1995 £'000	1994 £'000
Turnover from Continuing Operations	3	584	66
Cost of Sales		394	17
		-----	-----
Gross Profit		190	49
Net Operating Expenses		(236)	(179)
		-----	-----
Operating Loss		(46)	(130)
Interest payable & similar charges	4	(3)	(2)
Interest receivable & similar income		-	2
		-----	-----
Loss on ordinary activities before taxation	5	(49)	(130)
Tax (charge)/credit on Loss on ordinary activities	8	(28)	42
		-----	-----
Loss for financial year	18	(77)	(88)
		=====	=====

A statement on movements in reserves is given in Note 18 to the financial statements.

Recognised Gains and Losses

There are no recognised gains and losses other than the loss attributable to the shareholders of the company of £77,000 for the period ended 20th March 1995 (1994: loss - £88,000).

BALANCE SHEET AT 20TH MARCH 1995

	Notes	1995 £'000	1994 £'000
FIXED ASSETS			
Tangible Assets	9a	141	152
Intangible Assets	9b	-	60
		---	---
		141	212
CURRENT ASSETS			
Stocks	11	104	32
Debtors	12	421	72
		---	---
		525	104
CREDITORS-AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(147)	(133)
		---	---
NET CURRENT LIABILITIES		378	(29)
		---	---
TOTAL ASSETS LESS CURRENT LIABILITIES		519	183
CREDITORS-AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	(684)	(270)
PROVISIONS FOR LIABILITIES AND CHARGES	15	0	(1)
		---	---
NET ASSETS		(165)	(88)
		===	===
CAPITAL AND RESERVES			
Called-up Share Capital	17	-	-
Profit and Loss Account	18	(165)	(88)
		---	---
		(165)	(88)
		===	===

Approved by the Board on 18th December 1995
and signed on its behalf

.....
G J Clements
Director

.....
A M Sunter
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 20TH MARCH 1995**

1 FUNDAMENTAL ACCOUNTING 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 calculated to write off the cost of fixed assets on a straight line basis over their estimated useful lives.

Finance Leases:

Assets held under finance leases are capitalised and included as a separate category in Fixed Assets at the cost or estimated cost to the lessor. Depreciation is calculated to write off this amount on a straight line basis over the shorter of the lease term and the useful life of the assets.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable on an actuarial basis such that the charge represents a constant proportion of the balance of capital repayments outstanding.

Operating Leases:

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

Stocks:

Stocks are stated a lower of cost and net realisable value.

Deferred Taxation:

Provision for deferred tax 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:

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into Sterling at rates of exchange ruling on the date on which transactions occur, except for:

- (i) monetary assets and liabilities which are translated at the rate ruling at the Balance Sheet date (other than those in (ii) below); and
- (ii) 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 dealt with in the Profit and Loss account.

Pensions:

Amounts paid in respect of the group personal pension scheme detailed in Note 20 to the Financial Statements are charged to the Profit and Loss Account as incurred.

Goodwill:

Goodwill represents the excess of cost of acquisitions over the fair value of the separable net assets of businesses acquired. Goodwill is written off to reserves immediately upon acquisition.

Patents and Trademarks:

Patents and Trademarks are stated at cost and are written off over their estimated useful life.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 20TH MARCH 1995**

3 TURNOVER

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

	1995 £'000	1994 £'000
Geographical analysis of turnover:		
UK	584	65
Europe	-	1
	-----	-----
	584	66
	=====	=====

4 INTEREST PAYABLE

Interest payable on overdraft facilities	3	2
	----	----
	3	2
	=====	=====

5 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995 £'000	1994 £'000
After charging:		
- Depreciation and amortisation	64	39
- Auditors' remuneration: Audit	4	2
- Operating Lease Rentals:		
- Land and Buildings	40	16

6 DIRECTORS

No director 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 20TH MARCH 1995**

7 STAFF COSTS -----	1995 £'000	1994 £'000
Wages and salaries	244	48
Social Security costs	25	5
Pensions and other benefits	10	-
	---	---
	279	53
	===	===
The average number of persons employed by the company (including Directors) during the period was as follows:		
	1995 Number	1994 Number
Production (9), Administration (1), Technical (3):	13	8
	===	===

8 TAXATION -----	1995 £'000	1994 £'000
Corporation tax recoverable at 33%	(9)	(43)
Deferred taxation	(1)	1
(Over)/Under provision in prior years:		
- Corporation tax	38	-
- Deferred taxation	-	-
	---	---
Tax charge/(credit)	28	(42)
	===	===

The tax credit reflects the impact of
permanently disallowable expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 20TH MARCH 1995**

9a TANGIBLE FIXED ASSETS

	Plant Vehicles & Equipment 1995 £'000	Total 1995 £'000
COST		
At 20th March 1994	171	171
Additions	21	21
Disposals	-	-
	---	---
At 20th March 1995	192	192
	===	===
ACCUMULATED DEPRECIATION		
At 20th March 1994	19	19
Charge for the period	32	32
Eliminated on Disposals	-	-
	----	----
At 20th March 1995	51	51
	=====	=====
NET BOOK VALUES		
At 20th March 1994	152	152
	----	----
At 20th March 1995	141	141
	=====	=====
Depreciation Rates	10% - 25%	

9b INTANGIBLE FIXED ASSETS

	1995 £'000	1994 £'000
At 20th March 1994	60	-
Additions	42	80
Amortisation	(32)	(20)
Disposals	(70)	-
	----	----
At 20th March 1995	-	60
	=====	=====

Additions during the year relate to Patents and Trademarks.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 20TH MARCH 1995**

10 CAPITAL AND OTHER FINANCIAL COMMITMENTS

	1995	1994
	£'000	£'000
Capital Expenditure authorised but not contracted for:	-	-
	-----	-----
Capital Expenditure contracted for but not provided for in the financial statements:	-	-
	-----	-----
Contingent Deferred Consideration on purchase of business:	200	200
	-----	-----

11 STOCKS

Raw Materials and Components	104	32
	=====	=====

12 DEBTORS

Trade debtors	12	13
Amounts due from ultimate parent undertaking	324	-
Amounts due from fellow subsidiary undertakings	69	11
Corporation tax recoverable	9	43
Pre-payments and accrued income	3	1
Other taxation	4	4
	-----	-----
	421	72
	=====	=====

**13 CREDITORS - AMOUNTS FALLING
DUE WITHIN ONE YEAR**

Bank overdraft	-	88
Trade creditors	66	25
Amounts due to parent undertaking	-	1
Amounts due to fellow subsidiary undertakings	17	2
Social Security costs and other taxation	8	6
Accruals and deferred income	36	11
Other creditors	20	-
	-----	-----
	147	133
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 20TH MARCH 1995**

**14 CREDITORS - AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	1995	1994
	£'000	£'000
Loan from immediate parent undertaking	684	270
	-----	-----
	684	270
	=====	=====

The loan from the immediate parent undertaking bears no interest and has no fixed repayment date.

**15 PROVISIONS FOR LIABILITIES
AND CHARGES**

	1995	1994
	£'000	£'000
Deferred taxation (see Note 6)		
At 20th March 1994	1	-
Charge/(Credit) to Profit & Loss Account	(1)	1
	---	---
At 20th March 1995	-	1
	===	===

16 DEFERRED TAXATION

Deferred tax provided in the accounts and the full potential liability are as follows:

	1995		1994	
	Amount Provided £'000	Total Potential Liability £'000	Amount Provided £'000	Total Potential Liability £'000
Capital allowances in advance of depreciation	-	-	1	1
	=====	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 20TH MARCH 1995**

17 SHARE CAPITAL

	1995 £	1994 £
Authorised:		
Ordinary Shares of £1 each	2	2
	===	===
Allotted, issued and fully paid:		
Ordinary shares of £1 each	2	2
	===	===

**18 MOVEMENTS ON RESERVES AND RECONCILIATION
OF SHAREHOLDERS' FUNDS**

	Share Capital £'000	Profit & Loss Account £'000	Total £'000
At 20th March 1994	-	(88)	(88)
Loss retained for the year	-	(77)	(77)
	-----	-----	-----
At 20th March 1995	-	(165)	(165)
	=====	=====	=====

19 LEASING COMMITMENTS

At 20th March 1995, the company had annual commitments under non-cancellable operating leases as follows:

	Land & Buildings 1995 £'000
Operating leases which end:	
In the third to fifth years	40

	40
	=====

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 20TH MARCH 1995

20 PENSION COMMITMENTS

Group Personal Pension Scheme:

The company supports a Group Personal 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, and adding a further element relating to length of service. Contributions continue during the employment period only. The company funds life assurance for all employees.

21 PARENT UNDERTAKING

The Ultimate Parent Undertaking is Ishida Company 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 Ltd
Crystal Drive
Smethwick
Warley
West Midlands B66 1RJ