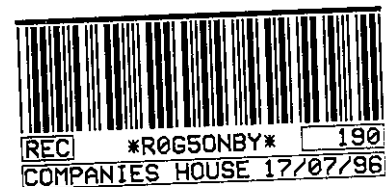


Ishida-Bishopbarn Limited

Report and Accounts

20 March 1996

 ERNST & YOUNG



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 1996.

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.

RESULTS AND DIVIDENDS

The results of the company for the year ended 20 March 1996 are set out in the financial statements.

The loss for the year of £113,000 (1995: Loss 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.

FIXED ASSETS

Details of changes in fixed assets are given in note 10 of the financial statement.

DIRECTORS

The Directors during the year were as follows:

G J Clements

A M Sunter

N P Fleming (ceased 31 October 1995)

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

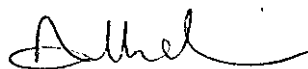
TAXATION STATUS OF THE COMPANY

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

24 May 1996

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 12, which have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings 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.

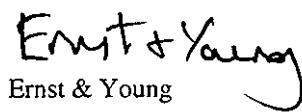
Basis of opinion

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 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Birmingham
24 May 1996

Ishida-Bishopbarn Limited

PROFIT AND LOSS ACCOUNT

for the year ended 20 March 1996

	<i>Notes</i>	<i>1996</i> <i>£000</i>	<i>1995</i> <i>£000</i>
TURNOVER	3	190	584
Cost of Sales		180	394
GROSS PROFIT		10	190
Operating expenses	4	(199)	(236)
OPERATING LOSS	5	(189)	(46)
Interest payable and similar charges	6	-	(3)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(189)	(49)
Tax credit/(charge) on loss on ordinary activities	9	76	(28)
RETAINED LOSS FOR THE FINANCIAL YEAR	16	(113)	(77)

A statement of movements in reserves is given in note 16 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 £113,000 for the year ended 20 March 1996 and the loss of £77,000 for the year ended 20 March 1995.

Ishida-Bishopbarn Limited

BALANCE SHEET

at 20 March 1996

	Notes	1996 £000	1995 £000
FIXED ASSETS			
Tangible assets	10	105	141
CURRENT ASSETS			
Stocks	11	43	104
Debtors	12	272	421
Cash at bank and in hand		28	-
		343	525
CREDITORS: amounts falling due within one year	13	(104)	(147)
NET CURRENT ASSETS		239	378
TOTAL ASSETS LESS CURRENT LIABILITIES		344	519
CREDITORS: amounts falling due after more than one year	14	(622)	(684)
NET ASSETS		(278)	(165)
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Profit and loss account	16	(278)	(165)
		(278)	(165)

G J Clements

A M Sunter

Directors

24 May 1996

NOTES TO THE FINANCIAL STATEMENTS

at 20 March 1996

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 1996

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>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Geographical analysis of turnover:		
United Kingdom	182	584
Europe	4	-
Other	4	-
	<u>190</u>	<u>584</u>

4. **OPERATING EXPENSES**

	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Administration	<u>199</u>	<u>236</u>

5. **OPERATING LOSS**

This is stated after charging:

	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Depreciation of owned fixed assets	26	64
Auditors' remuneration	4	4
Operating lease rentals - land and buildings	32	40
	<u></u>	<u></u>

6. **INTEREST PAYABLE AND SIMILAR CHARGES**

	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Bank overdraft	<u>-</u>	<u>3</u>

7. **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.

Ishida-Bishopbarn Limited

NOTES TO THE FINANCIAL STATEMENTS

at 20 March 1996

8. STAFF COSTS

	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	163	244
Social security costs	16	25
Pensions and other benefits	10	10
	<u>189</u>	<u>279</u>

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

	<i>1996</i>	<i>1995</i>
	<i>No.</i>	<i>No.</i>
Production	11	9
Administration	1	1
Technical	-	3
	<u>12</u>	<u>13</u>

9. TAXATION

	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Based on the profit for the year:		
UK corporation tax at 33%	(67)	(9)
Deferred taxation	-	(1)
	<u>(67)</u>	<u>(10)</u>
Corporation tax (over)/under provided in previous years	(9)	38
	<u>(76)</u>	<u>28</u>

Ishida-Bishopbarn Limited

NOTES TO THE FINANCIAL STATEMENTS

at 20 March 1996

10. TANGIBLE FIXED ASSETS

*Plant, vehicles
& equipment
£000*

Cost:	
At 21 March 1995	192
Additions	1
Transfers to group undertakings	(17)
At 20 March 1996	176
Depreciation:	
At 21 March 1995	51
Provided during the year	26
Transfers to group undertakings	(6)
At 20 March 1996	71
Net book values:	
At 20 March 1996	105
At 21 March 1995	141

11. STOCKS

	<i>1996 £000</i>	<i>1995 £000</i>
Raw material and components	43	104

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

12. DEBTORS

	<i>1996 £000</i>	<i>1995 £000</i>
Trade debtors	4	12
Amounts due from ultimate parent undertaking	-	324
Amounts due from fellow subsidiary undertakings	199	69
Corporation tax recoverable	67	9
Prepayments and accrued income	2	3
Other taxation	-	4
	272	421

Ishida-Bishopbarn Limited

NOTES TO THE FINANCIAL STATEMENTS

at 20 March 1996

13. CREDITORS: amounts falling due within one year

	1996 £000	1995 £000
Trade creditors	41	66
Amounts due to immediate parent undertaking	2	-
Amounts due to fellow subsidiary undertakings	7	17
Other taxes and social security costs	5	8
Accruals	36	36
Other creditors	13	20
	<u>104</u>	<u>147</u>

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

	1996 £000	1995 £000
Loan from immediate parent undertaking	<u>622</u>	<u>684</u>

The loan from the immediate parent undertaking bears no interest and has no fixed repayment date. Repayment will not be requested within the next twelve months.

15. SHARE CAPITAL

			1996 £	Authorised 1995 £
Ordinary shares of £1 each			<u>2</u>	<u>2</u>
			<i>Allotted, issued and fully paid</i>	
	1996 No.	1995 No.	1996 £	1995 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Ishida-Bishopbarn Limited

NOTES TO THE FINANCIAL STATEMENTS

at 20 March 1996

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £000</i>	<i>Profit & loss account £000</i>	<i>Total Shareholders' Funds £000</i>
At 21 March 1994	-	(88)	(88)
Loss retained for the year	-	(77)	(77)
At 21 March 1995	-	(165)	(165)
Loss retained for the year	-	(113)	(113)
At 20 March 1996	-	(278)	(278)

17. OTHER FINANCIAL COMMITMENTS

At 20 March 1996, the company had annual commitments under non-cancellable operating leases as follows:

	<i>Land & Buildings</i>	
	<i>1996 £000</i>	<i>1995 £000</i>
Operating leases which expire:		
Within one year	32	-
In two to five years	-	40
	<u>32</u>	<u>40</u>

18. 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.

19. 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
Warley
West Midlands
B66 1RJ