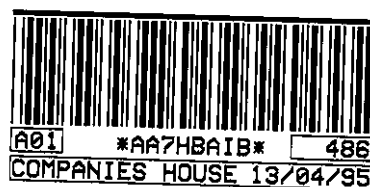


Registered
1718524

BIZERBA (UK) LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1994



BIZERBA (UK) LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1994

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The following pages do not form part of the
Statutory Accounts:

13 - 14	Detailed Trading and Profit & Loss Account
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DIRECTORS R.D.Kraut, Esq.
G.Kraut, Esq.
J.Heck, Esq.

AUDITORS Hillier Hopkins
Chartered Accountants
St.Martin's House
31-35 Clarendon Road
Watford
Herts WD1 1JA.

COMPANY
NUMBER 1718524

BIZERBA (UK) LIMITED

REPORT OF THE DIRECTORS

The Directors present herewith the Company's Accounts for the year ended 31st December 1994, and report as follows:-

1. BUSINESS REVIEW

The Company has traded continuously during the year, their principal activity being the distribution of food processing and weighing equipment.

The Company did make some progress in 1994 but this was due to reduced costs of sales rather than improved performance.

Advances in technology have improved margins but have made old equipment less attractive to customers and efforts are being made to completely upgrade the Company's stock of equipment and spare parts.

The latest models did not obtain approval until late in the year, accounting for a significant shortfall in turnover compared to budget.

It is anticipated that the new Management Team, together with more accurate targeting of the customer base will lead to substantial benefits in terms of cost savings and additional turnover in 1995.

The Loss for the year before taxation was £293,603 which is transferred to general reserve.

The Directors do not recommend payment of a dividend for the current year.

2. FIXED ASSETS

The Fixed Assets of the Company, together with any changes during the year, are shown in detail in the Notes to the Accounts.

3. DIRECTORS AND THEIR INTERESTS

The Directors of the Company during the year were as follows:-

R.D.Kraut, Esq.

G.Kraut, Esq.

J.Heck, Esq. (Appointed 1st December, 1994)

J.Shiels, Esq. (Resigned 30th November, 1994)

None of the Directors had any interest in the Share Capital of the Company at any time during the year.

...continued

BIZERBA (UK) LIMITED

REPORT OF THE DIRECTORS

...continued

4. DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view. In preparing those financial statements, the Directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements;
- d) 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 maintaining 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.

5. AUDITORS

Messrs. Hillier Hopkins, Chartered Accountants, have indicated their willingness to continue in office.

APPROVED BY THE BOARD ON

SIGNED ON BEHALF OF THE
BOARD OF DIRECTORS

Date: ...10.3.95.....

N. Mensah
N. Mensah, Esq. - Secretary

REGISTERED OFFICE:
Eastman Centre,
Eastman Way,
Hemel Hempstead,
Herts.
HP2 7DU

BIZERBA (UK) LIMITEDAUDITORS' REPORT TO THE SHAREHOLDERS
OF BIZERBA (UK) LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 to 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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 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.

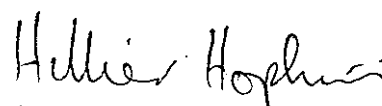
FUNDAMENTAL UNCERTAINTY

In forming our opinion we have considered the going concern position of the Company and its financial state of affairs. We have obtained verification from the Parent Undertaking of its continued support for the Company's bank guarantees, and on going trading arrangements as it represents the Company's main supplier, and they have indicated that this will remain unchanged. The Company is reliant upon the continued support of the Parent Undertaking to maintain its going concern position. Our opinion is not qualified in this respect.

OPINION

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company as at 31st December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

10th March, 1995
Date


HILLIER HOPKINS
CHARTERED ACCOUNTANTS
and Registered Auditor
St. Martin's House
31-35 Clarendon Road
Watford,
Herts. WD1 1JA

BIZERBA (UK) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>Notes</u>	£	<u>1994</u>	£	£	<u>1993</u>	£
TURNOVER	2		3,218,507			2,993,642	
Cost of Sales			2,465,670			2,423,536	
GROSS PROFIT			<u>752,837</u>			<u>570,106</u>	
Distribution Costs		395,448			404,630		
Administrative Expenses		<u>535,518</u>			<u>489,268</u>		
			930,966			893,898	
			<u>(178,129)</u>			<u>(323,792)</u>	
Other Operating Income	3		2,935			21,370	
OPERATING LOSS			<u>(175,194)</u>			<u>(302,422)</u>	
Redundancy Payments			<u>(24,000)</u>			<u>(25,965)</u>	
			<u>(199,194)</u>			<u>(328,387)</u>	
Interest Receivable	4	6,003			8,513		
Interest Payable	5	<u>(100,412)</u>			<u>(110,549)</u>		
			<u>(94,409)</u>			<u>(102,036)</u>	
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6/7		<u>(293,603)</u>			<u>(430,423)</u>	
Tax on Ordinary Activities	8		<u>-</u>			<u>-</u>	
RETAINED LOSS FOR THE YEAR			<u>(293,603)</u>			<u>(430,423)</u>	
Retained Deficit At 1st January 1994			<u>(4,031,821)</u>			<u>(3,601,398)</u>	
RETAINED DEFICIT At 31st December 1994			<u><u>(4,325,424)</u></u>			<u><u>(4,031,821)</u></u>	

All of the above amounts relate to continuing operations.

The Company has no recognised gains or losses other than the loss for the year as stated above.

The notes on pages 7 to 12 form part of the Accounts.

BALANCE SHEET
31ST DECEMBER 1994

	Notes	£	1994	£	£	1993	£
FIXED ASSETS							
Tangible Assets	9	63,813			58,598		
Investments	10	3,564			3,564		
				67,377			62,162
CURRENT ASSETS							
Stocks	11	1,209,069			1,068,253		
Debtors	12	919,477			943,295		
Cash at Bank and In Hand		414,943			87,387		
		2,543,489			2,098,935		
CREDITORS - Amounts falling due within one year	13	2,687,042			2,498,155		
NET CURRENT (LIABILITIES)				(143,553)			(399,220)
TOTAL ASSETS LESS CURRENT LIABILITIES				(76,176)			(337,058)
Provisions for Liabilities and Charges	14			49,248			44,763
NET (LIABILITIES)				(125,424)			(381,821)
CAPITAL AND RESERVES							
Called up Share Capital	16		4,200,000		3,650,000		
Profit and Loss Account			(4,325,424)		(4,031,821)		
Shareholders' Funds - Equity Interests	17		(125,424)		(381,821)		

SIGNED ON BEHALF OF THE
BOARD OF DIRECTORS

APPROVED BY THE BOARD ON

..... *J. Heck*
J. Heck - Director

Date: ... *March 10. 1995*

The notes on pages 7 to 12 form part of the Accounts.

BIZERBA (UK) LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1994

1 ACCOUNTING POLICIES

The following notes outline the main Accounting Policies of the Company, which have been used consistently in preparing these Accounts.

1.1 Accounting Conventions

The Financial Statements are prepared under the Historical Cost Convention.

1.2 Turnover

This represents the invoiced amounts of goods sold and services provided, net of Value Added Tax.

1.3 Depreciation of Tangible Fixed Assets

Depreciation is calculated to write off the cost less the estimated residual value of the Tangible Fixed Assets over their expected useful lives at the following rates:-

Leasehold Property - Straight line over period of lease
Plant and Equipment - In equal annual instalments at rates
varying between 1 and 10 years.
Motor Vehicles - At 25% on reducing balance or over the life
of the finance lease to which they relate.

1.4 Stocks

These are valued at the lower of cost and net realisable value. Cost includes transportation and duty costs where appropriate. A provision has been made in these Accounts to provide for damages to stock in transit.

1.5 Foreign Exchange

Transactions and balances denominated in foreign currencies are translated into sterling at the rate of exchange ruling at that date, unless the transaction or balance is with the Holding Company when the rate of exchange is notified by the Holding Company.

1.6 Deferred Taxation

Deferred Taxation is provided using the liability method in respect of the taxation effect of all timing differences, other than those which are expected with reasonable certainty to continue in the foreseeable future, less any unrelieved trading losses.

1.7 Warranties

The Company offers warranties as part of its normal trading conditions of sale and a provision has been made in these Accounts for costs which may be incurred.

BIZERBA (UK) LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1994

-continued-

1.8 Property Maintenance

Provision has been made for the estimated regular future costs of property maintenance as required by the terms of the Company's property leases.

1.9 Pension Scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs in the Profit and Loss Account represent contributions payable by the Company to the fund.

1.10 Operating Leases

Rentals applicable to operating leases where substantially all all of the risks and rewards of ownership remain with the lessor are charged to the Profit and Loss Account as incurred.

	<u>1994</u>	<u>1993</u>
	£	£
2. TURNOVER		
The Turnover and Pre-Tax Loss are wholly attributable to the Company's main activity. The Turnover arose entirely in the U.K.		
3. OTHER OPERATING INCOME		
Gain on Exchange	<u>2,935</u>	<u>21,370</u>
4. INTEREST RECEIVABLE		
Bank Interest	6,003	6,824
Commission	-	629
Other Interest Receivable	-	1,060
	<u>6,003</u>	<u>8,513</u>
5. INTEREST PAYABLE		
On Bank Overdrafts repayable within 5 years	40,744	54,081
On Bank Loans repayable within 5 years	59,668	56,468
	<u>100,412</u>	<u>110,549</u>

BIZERBA (UK) LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1994

-continued-

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		
This is stated after charging:		
Directors' Remuneration	60,547	58,330
Auditors' Remuneration	12,220	8,185
Depreciation	22,615	25,566
Adjustment on Disposal of Fixed Assets	(1,584)	-
Hire of Vehicles and Equipment	173,851	188,000
	<u>173,851</u>	<u>188,000</u>
7. EMPLOYEE INFORMATION		
7.1 Staff Costs:		
Wages and Salaries	793,675	807,831
Redundancy Payments	24,000	25,965
Social Security Costs	78,495	80,419
Other Pension Costs	43,582	26,782
Medical Costs	11,289	10,762
	<u>951,041</u>	<u>951,759</u>
7.2 The average weekly number of employees during the year (including Directors) was made up as follows:	No.	No.
Administrative	8	9
Engineers	21	21
Representatives	16	18
	<u>45</u>	<u>48</u>
	£	£
7.3 Directors' Emoluments:		
Fees and Salaries	60,547	58,330
Benefits in Kind	-	3,390
	<u>60,547</u>	<u>61,720</u>
Further details, excluding pension contributions:		
Chairman	-	-
Highest Paid Director	<u>51,547</u>	<u>61,720</u>
Other Directors' Emoluments fell within the following range:	No.	No.
£Nil	1	1
£5,000 - £10,000	1	-
	<u>1</u>	<u>-</u>

BIZERBA (UK) LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1994
-continued-

8. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no charge to Corporation Tax on the Loss on Ordinary Activities.

The Company has tax losses of approximately £4,000,000 (1993 : £3,778,000), available for relief against future trading profits.

9. TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u>	<u>Plant and Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£
Cost:				
At 1st January 1994	32,057	186,202	12,845	231,104
Additions	3,033	19,411	6,652	29,096
Disposals	-	-	(3,000)	(3,000)
At 31st December 1994	<u>35,090</u>	<u>205,613</u>	<u>16,497</u>	<u>257,200</u>
Depreciation:				
At 1st January 1994	18,421	144,313	9,772	172,506
Charge for year	4,328	16,977	1,310	22,615
Disposals	-	-	(1,734)	(1,734)
At 31st December 1994	<u>22,749</u>	<u>161,290</u>	<u>9,348</u>	<u>193,387</u>
Net Book Value:				
At 31st December 1994	<u>12,341</u>	<u>44,323</u>	<u>7,149</u>	<u>63,813</u>
Net Book Value:				
At 31st December 1993	<u>13,636</u>	<u>41,889</u>	<u>3,073</u>	<u>58,598</u>
The Net Book Value of Land and Buildings comprises:			<u>1994</u> £	<u>1993</u> £
Short Leaseholds			<u>12,341</u>	<u>13,636</u>

10. FIXED ASSET INVESTMENTS

Unlisted Investment at Cost	<u>3,564</u>	<u>3,564</u>
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BIZERBA (UK) LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1994

-continued-

11. STOCKS	<u>1994</u> £	<u>1993</u> £
The amounts attributable to the different categories are as follows:		
Stationery Stock	1,900	1,900
Machine Stock	851,607	786,733
Spare Parts	355,562	279,620
	<u>1,209,069</u>	<u>1,068,253</u>
12. DEBTORS		
Trade Debtors	820,512	850,996
Other Debtors	2,111	1,686
Prepayments	96,854	90,613
	<u>919,477</u>	<u>943,295</u>
13. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade Creditors	183,205	121,318
Amounts Owed to Parent Undertaking	467,989	352,530
Other Taxes and Social Security Costs	97,309	126,655
Other Creditors	35,953	42,539
Accruals	158,806	138,347
Bank Overdrafts	1,743,780	1,716,766
	<u>2,687,042</u>	<u>2,498,155</u>
14. PROVISIONS FOR LIABILITIES AND CHARGES		
Warranty Provision:		
At 1st January 1994	44,763	57,629
Transfer to/(from) Profit and Loss Account	4,485	(12,866)
At 31st December 1994	<u>49,248</u>	<u>44,763</u>

BIZERBA (UK) LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1994
-continued-

15. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITY	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
a) Operating Lease Agreements:		
The Company is committed to the following lease payments in the next year relating to motor vehicles under agreements which expire as follows:		
Within One Year	7,075	36,795
Within Two to Five Years	132,494	57,131
	<u>139,569</u>	<u>93,926</u>
The Company is also committed to the following lease payments in the next year relating to land and buildings under agreements which expire as follows:		
Less than One Year	4,470	-
Within Two to Five Years	6,550	11,020
After Five Years	67,906	67,720
	<u>78,926</u>	<u>78,740</u>
b) Pension Obligations:		
The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.		
The pension cost charge represents contributions payable by the Company to the fund and amounted to £43,582.		
c) Contingent Liability:		
The Company has a contingent liability regarding guarantees given to their Bankers in favour of the Customs and Excise for £10,000 in connection with VAT deferrals on imports.		

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1994

-continued-

16. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and Fully Paid</u>	
	£	<u>1994</u> £	<u>1993</u> £
Ordinary Shares of £1 each	5,000,000	4,200,000	3,650,000

During the year the Company issued a further 550,000 ordinary shares of £1 each at par to capitalise part of the amount owed to the parent undertaking.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	<u>1994</u> £	<u>1993</u> £
Loss for the Financial Year	(293,603)	(430,423)
New Share Capital Subscribed	550,000	-
Opening Shareholders' Funds	256,397 (381,821)	(430,423) 48,602
Closing Shareholders' Funds	(125,424)	(381,821)

18. ULTIMATE PARENT UNDERTAKING

The Company regards Bizerba-Werke Wilhelm Kraut GmbH & Co. KG, incorporated in Germany, as its ultimate parent undertaking.