

**Riva Group Limited**  
**(formerly Riva Group Plc)**

Directors' report and financial  
statements

Registered Number 1384967

31 December 2000



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### Principal activities

Riva Group Limited is an investment holding company whose subsidiaries are principally engaged in the supply and after sales service of retail business systems. In 1999 the company also provided financial and management services to its trading subsidiaries. These activities were transferred to its parent company, Anker (UK) PLC as at the beginning of 2000.

### Business review

During the year ended 31 December 2000 the company made a profit on ordinary activities before taxation of £8,976,000 (1999: £849,000). The directors do not recommend the payment of a dividend (1999: £ nil).

On 22 October 1999 the company was acquired by Anker (U.K.) PLC, a subsidiary of Anker B.V.

On 3 December 1999 the company de-listed from the London Stock Exchange.

On 23 December 1999 the company purchased 1,832,504 £1 ordinary shares in ADS Anker Data Systems Limited, a subsidiary of Anker B.V, for £13,300,000. On 31 December 2000 the company acquired the entire share capital of ADS Anker Limited and ADS Retail Systems Limited, two dormant companies previously held by ADS Anker Data Systems Limited.

On 9 March 2000 the company was re-registered as a private company and changed its name from Riva Group Plc to Riva Group Limited.

### Directors and directors' interests

The directors who held office during the year were as follows:

SJ Butcher  
PWE Downes (Resigned 20 March 2000)  
JH Foulkes  
S Shreeve  
D Turner

None of the directors held any beneficial interests in the shares of the company during the year.

JH Foulkes, SJ Butcher and S Shreeve held interests and share options in the shares of Anker B.V. at 31 December 2000. Their interests are disclosed in the financial statements of that company.

### Auditors

In accordance with section 385 of the Companies Act 1985 a resolution will be proposed at the Annual General Meeting for the reappointment of KPMG as the auditors of the company.

By order of the board



SP Jones  
Secretary

Crompton House  
Barrs Fold Road  
Wingates Industrial Park  
Westhoughton  
Bolton  
BL5 3XP

29 May 2001

## **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 for that period. In preparing those financial statements, 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 financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



St James' Square  
Manchester M2 6DS  
United Kingdom

## **Report of the auditors to the members of Riva Group Limited**

We have audited the financial statements on pages 4 to 12.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### **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.

### **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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

**KPMG**  
*Chartered Accountants*  
*Registered Auditors*

*29th May 2001*

**Profit and loss account**  
*for the year ended 31 December 2000*

	<i>Note</i>	<b>2000</b> <b>£000</b>	1999 £000
Other operating income		-	2,074
Other external income/(charges)	2	79	(2,325)
Employee costs	4	-	(1,049)
Depreciation and amortisation	2	-	(15)
		<hr/>	<hr/>
Operating profit/(loss)		79	(1,315)
Amounts written back on investments and loans in subsidiary undertakings	7	8,926	1,320
Income from subsidiary undertakings		-	1,000
Interest payable and similar charges	5	(29)	(156)
		<hr/>	<hr/>
<b>Profit on ordinary activities before and after tax</b>		<b>8,976</b>	<b>849</b>
Gain on write back of finance costs of non-equity shares	11	-	231
		<hr/>	<hr/>
<b>Retained profit for the year</b>		<b>8,976</b>	<b>1,080</b>
		<hr/>	<hr/>

The company had no recognised gains or losses other than those dealt with in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

The profit for the current and preceding financial periods calculated on a historical cost basis, is not materially different to the profit disclosed above. Accordingly, a note of historical cost profits and losses as required by FRS3 has not been presented.

**Balance sheet**  
*at 31 December 2000*

	Note	2000 £000	1999 £000
<b>Fixed assets</b>			
Tangible assets	6	-	44
Investments	7	28,726	23,162
		<u>28,726</u>	<u>23,206</u>
<b>Current assets</b>			
Debtors	8	-	585
Cash at bank		92	-
<b>Creditors: amounts falling due within one year</b>	9	<u>(14,786)</u>	<u>(18,287)</u>
<b>Net current liabilities</b>		<u>(14,694)</u>	<u>(17,702)</u>
<b>Total assets less current liabilities</b>		<u>14,032</u>	<u>5,504</u>
<b>Provisions for liabilities and charges</b>			
Restructuring and re-organisation provision		-	(448)
<b>Net assets</b>		<u>14,032</u>	<u>5,056</u>
<b>Capital and reserves</b>			
Called up share capital	10	5,708	7,090
Capital redemption reserve	11	1,382	-
Share premium account	11	1,477	1,477
Special reserves	11	818	818
Profit and loss account	11	4,647	(4,329)
		<u>14,032</u>	<u>5,056</u>
<b>Shareholders' funds</b>			
Equity		14,032	3,476
Non equity		-	1,580
		<u>14,032</u>	<u>5,056</u>

These financial statements were approved by the board of directors on 29 May 2001 and were signed on its behalf by:

  
**S Shreeve**  
 Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements which are publicly available.

The company is exempt under Financial Reporting Standard No 8 from the requirement to disclose related party transactions with other group companies on the basis that it is itself a 90% owned subsidiary of the ultimate holding company, Anker B.V.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and equipment	-	10-33%
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#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Pensions*

Contributions to the company's pension schemes and other payments in respect of pensions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.



## Notes (continued)

### 2 Profit on ordinary activities before taxation

	2000 £000	1999 £000
<i>Profit on ordinary activities before taxation is stated after charging/ (crediting):</i>		
Auditors' remuneration for auditing services	-	35
Fees paid to the auditor and its associates for other services	-	37
Depreciation and other amounts written off tangible fixed assets: Owned	-	15
	<hr/>	<hr/>
<i>Exceptional items:</i>		
Corporate advisory fees regarding offers for the company	-	741
Costs of disposal of Danish and Spanish subsidiaries	(100)	591
Restructuring and reorganisation costs	-	549
	<hr/>	<hr/>
	(100)	1,881
	<hr/>	<hr/>

### 3 Remuneration of directors

	2000 £000	1999 £000
Directors' emoluments	-	875
Company contributions to defined contribution pension schemes	-	26
Gains made on exercise of share options	-	108
Compensation for loss of office	-	537
	<hr/>	<hr/>
	-	1,546
	<hr/>	<hr/>

There were no directors' emoluments during the year. The aggregate emoluments of the highest paid director was £256,000 in 1999. The highest paid director did not receive any company pension contributions.

	Number of directors	
	2000	1999
The number of directors who exercised share options was	-	1
	<hr/>	<hr/>

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons employed by the company (including only those directors remunerated by the company) during the year, analysed by category, was as follows:

	Number of employees	
	2000	1999
Sales and marketing	-	2
Administrative	-	7
	<hr/>	<hr/>
	-	9
	<hr/>	<hr/>

The aggregate payroll costs of these persons before exceptional items were as follows:

	2000	1999
	£000	£000
Wages and salaries	-	620
Social security costs	-	36
Other pension costs	-	26
	<hr/>	<hr/>
	-	682
	<hr/>	<hr/>

### 5 Interest payable and similar charges

	2000	1999
	£000	£000
On bank loans, overdrafts and other loans	29	191
Amounts payable to group undertakings	-	75
Net foreign exchange gains	-	(110)
	<hr/>	<hr/>
	29	156
	<hr/>	<hr/>

## Notes (continued)

### 6 Tangible fixed assets

	Plant and Equipment £000
<b>Cost</b>	
At beginning of year	143
Transfers to Group Companies	(143)
	<hr/>
At end of year	-
	<hr/>
<b>Depreciation</b>	
At beginning of year	99
Transfers to Group Companies	(99)
	<hr/>
At end of year	-
	<hr/>
<b>Net book value</b>	
At 31 December 2000	-
	<hr/>
At 31 December 1999	44
	<hr/>

### 7 Fixed asset investments

	Unlisted shares in subsidiaries £000	Loans to Subsidiaries £000	Total £000
At 31 December 1999 – cost	33,036	4,495	37,531
At 31 December 1999 – provision for impairment	(13,112)	(1,257)	(14,369)
	<hr/>	<hr/>	<hr/>
At 31 December 1999 - net book value	19,924	3,238	23,162
Additional investment in subsidiaries	5,235	-	5,235
Write off of investment in subsidiaries	(4,062)	-	(4,062)
Write back of loans to subsidiaries	-	19,007	19,007
Write off of loans to subsidiaries	-	(119)	(119)
Additional provisions against investment in subsidiaries	(5,900)	-	(5,900)
Repayment of Loans to subsidiaries	-	(8,597)	(8,597)
	<hr/>	<hr/>	<hr/>
At 31 December 2000 - net book value	15,197	13,529	28,726
	<hr/>	<hr/>	<hr/>

## Notes (continued)

### 7 Fixed asset investments (continued)

The principal companies in which the company's interest at the year end is more than 20% are as follows:

Subsidiary undertakings:	Country of Incorporation	Principal Activity	Percentage of shares held %
Anker Systems Limited (formerly Riva Systems Limited)	England	Supplier of EPOS solutions	100
Riva Electronics Limited	England	Design, manufacture and supply of hardware	100
Hugin Sweda International Limited	England	Dormant	100
ADS Anker Data Systems Limited	Northern Ireland	Supplier of EPOS solutions	100
ADS Retail Systems Ltd	England	Dormant	100
ADS Anker Limited	England	Dormant	100

All these subsidiaries are direct subsidiaries of the company.

### 8 Debtors

	2000 £000	1999 £000
Amounts owed by group undertakings	-	243
Other debtors	-	244
Prepayments and accrued income	-	21
	<hr/>	<hr/>
	-	508
Other debtors due after one year	-	77
	<hr/>	<hr/>
	-	585
	<hr/>	<hr/>

### 9 Creditors: amounts falling due within one year

	2000 £000	1999 £000
Bank loans and overdrafts	-	3,073
Trade creditors	-	196
Amounts owed to group undertakings	14,457	14,382
Taxation and social security	2	2
Other loans	327	327
Accruals and deferred income	-	307
	<hr/>	<hr/>
	14,786	18,287
	<hr/>	<hr/>

Other loans include a secured loan from Mr T A Milne, a former director, amounting to £327,000 (1999 : £327,000) which bears interest at a rate of 3% over one month LIBOR and is repayable on demand.

## Notes (continued)

### 10 Called up share capital

	Authorised £000	Allotted, called up and fully paid £000
<b>Equity shares:</b>		
Ordinary shares of 10p each		
At 1 January 2000	4,861	3,527
Issued during the year:		
- arising on conversion of 'B' Preference shares	198	198
<b>As at 31 December 2000</b>	<b>5,059</b>	<b>3,725</b>
<b>Non-equity shares</b>		
'B' Convertible Preference shares of £1 each		
At 1 January 2000	1,580	1,580
Converted during the year	(1,580)	(1,580)
<b>As at 31 December 2000</b>	<b>-</b>	<b>-</b>
Non-voting Deferred shares of 1p each		
At 1 January 2000	1,983	1,983
- arising on conversion of 'B' Preference Shares	1,382	1,382
- redemption	(1,382)	(1,382)
<b>As at 31 December 2000</b>	<b>1,983</b>	<b>1,983</b>
<b>Total share capital at 31 December 2000</b>	<b>7,042</b>	<b>5,708</b>
Total share capital at 31 December 1999	8,424	7,090

On 4 January 2000 1,579,928 'B' Convertible Preference Shares were converted into 1,974,910 ordinary shares of 10p each and 138,243,700 Non-Voting Deferred Shares of 1p. The Company increased its share capital during the year by the creation of one additional Non-Voting Deferred Share of 1p for the purpose of enabling the redemption of the 138,243,700 Non-Voting Deferred Shares of 1p each arising on the conversion of the aforementioned 'B' Convertible Preference Shares. Following this issue 138,243,700 Non-Voting Deferred Shares of 1p each were redeemed for an aggregate sum of 1p and the gain on redemption was transferred to a Capital Redemption Reserve (see note 11).

The non-voting Deferred shares of 1p each are created under the authority given by the passing on 8 May 1992 of the resolution to create the Convertible Preference Shares and derive from the balance (if any) of a holding of Convertible Preference shares which remains following conversion of that holding into Ordinary shares. Non-voting Deferred shares have no voting rights, no right to receive any dividend or other distribution and have deferred rights of participation on a return of capital.

## Notes (continued)

### 11 Share premium and reserves

	Share Premium Account	Special Reserve	Capital Redemption Reserve	Profit And loss Account
	£000	£000	£000	£000
At beginning of year	1,477	818	-	(4,329)
Retained profit for the year	-	-	-	8,976
Arising on redemption of Preference Shares	-	-	1,382	-
At end of year	1,477	818	1,382	4,647

The special reserve was created pursuant to a Court Order dated 10 June 1991 and is to be treated as non-distributable.

### 12 Reconciliation of movements in shareholders' funds

	2000 £000	1999 £000
Profit after taxation	8,976	849
Issue of shares following exercise of options	-	179
Opening shareholders' funds	5,056	4,028
Closing shareholders funds	14,032	5,056

### 13 Contingent liabilities

The company has guaranteed the overdrafts of its subsidiaries; the amount outstanding at the year end was £nil (1999: nil). On 4 April 2000 the company became a guarantor to bank and other loans drawn under group facilities negotiated by Anker B.V amounting to £64.9million. The amount drawn down at 31 December 2000 was £64.7million (1999 £51.2million).

### 14 Pension scheme

There were no pension contributions during the year (1999: £17,000). At 31 December 2000 there were no outstanding contributions to any of the company's pension schemes. (1999: nil).

### 15 Ultimate parent company and ultimate controlling party

The company's ultimate parent undertaking and ultimate controlling party, Anker B.V., is incorporated in the Netherlands and registered in the Netherlands. Copies of the group accounts can be obtained from the following:

Anker B.V.  
 Schouwburgplein 30-34  
 3012 CL Rotterdam,  
 Netherlands

Anker (UK) PLC  
 Crompton House  
 Barrs Fold Rd  
 Wingates Industrial Estate  
 Westhoughton  
 Bolton BL5 3XP