

ASH & LACY PERFORATORS LIMITED

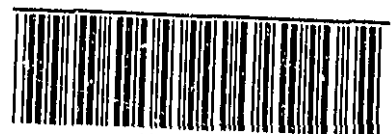
COMPANY NUMBER 529602

A WHOLLY OWNED SUBSIDIARY OF

ASH & LACY plc

FINANCIAL STATEMENTS

Year 1993



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A02/RECEIPT DATE:16/07/94

ASH & LACY PERFORATORS LIMITED
A WHOLLY OWNED SUBSIDIARY OF ASH & LACY plc

1993

REPORT AND FINANCIAL STATEMENTS

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ASH & LACY PERFORATORS LIMITED
A WHOLLY OWNED SUBSIDIARY OF ASH & LACY plc

REPORT OF THE DIRECTORS
FOR THE YEAR 1993

DIRECTORS:

H C Marshall BSc, MSc
J F Keating
M J Baker
J L Horne

SECRETARY AND REGISTERED OFFICE

R Foxall FCA
Alma Street
Smethwick
Warley
West Midlands B66 2RP

The Directors present their report together with Financial Statements for the year 1993.

PRINCIPAL ACTIVITIES

On 2nd January 1993 the trade, assets and liabilities of the Ash & Lacy Perforators Division and the Ash & Lacy Pressings Division of Ash & Lacy plc were transferred to the Company.

The Company is principally engaged in the pressing and manufacture of perforated and expanded metal.

REVIEW

Perforating The business was adversely affected by the downturn in continental activity. In recent years the business has established a strong position in the French market for specialised perforated products. This was eroded by the fragility of the French economy.

Demand in the UK was patchy although some market sectors showed improvements. Overall turnover was down and a small loss resulted for the year as a whole. Further structural changes were made in order to improve performance and competitiveness. The cost base was substantially reduced and new marketing initiatives implemented for the benefit of both the business and customers.

Pressings The division had a much improved year despite the continued weakness of the speaker grille market. Sales were down but improved productivity and a significant reduction in costs enabled the division to record a small operating profit.

RESULTS

The results for the year are set out in the Profit and Loss Account on page 4.

DIRECTORS

The Directors in office at the end of the year are listed above. All served throughout the year except for Mr M J Baker who was appointed on 20 September 1993. Mr R F Taylor resigned on 1 February 1993 and Mr M J Bacon resigned on 20 September 1993. Mr J J Mather was appointed on 1 February 1993 and resigned on 21 September 1993.

ASH & LACY PERFORATORS LIMITED
A WHOLLY OWNED SUBSIDIARY OF ASH & LACY plc

REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR 1993

The beneficial and other interests of Mr H C Marshall and his family in the shares of Ash & Lacy plc are shown in that Company's Financial Statements.

The interests of the other Directors in the shares of Ash & Lacy plc are as follows:-

	31 December 1993 Ordinary Shares of 5p each	2 January 1993 Ordinary Shares of 5p each
J F Keating	-	-
M J Baker	-	-
J L Horne	150	150

The Company has maintained liability insurance for its directors and officers, as permitted by S.310 (3), as amended, of the Companies Act 1985.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 of the company 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;
- . 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FIXED ASSETS

During the year fixed assets with a net book value of £1,787,787 were transferred in from Ash & Lacy plc's Perforators and Pressings divisions. A further £597,843 has been invested in plant, machinery, equipment and motor vehicles.

AUDITORS

Grant Thornton were appointed as Auditors during the year to fill a casual vacancy and being eligible offer themselves for re-appointment as Auditors in accordance with Section 388(3) of the Companies Act 1985.

BY ORDER OF THE BOARD

R FOXALL
SECRETARY

31 March 1994

REPORT OF THE AUDITORS TO THE MEMBERS OF

ASH & LACY PERFORATORS LIMITED

We have audited the Financial Statements on pages 4 to 12 which have been prepared under the accounting policies set out on pages 6 and 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1993 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
Registered Auditors
Chartered Accountants

BIRMINGHAM

31 March 1994

ASH & LACY PERFORATORS LIMITED
A WHOLLY OWNED SUBSIDIARY OF ASH & LACY plc

PROFIT AND LOSS ACCOUNT
FOR THE YEAR 1993

	Note	£	1993	£	£	1992	£
TURNOVER	1			9,006,458		-	
COST OF SALES				7,491,467		-	
GROSS PROFIT				1,514,991		-	
DISTRIBUTION COSTS		904,864			-		
ADMINISTRATIVE EXPENSES		612,169		1,517,033	-	-	
OPERATING LOSS	2			(2,042)		-	
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	3			25,611		-	
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1			23,569		-	
TAX ON PROFIT ON ORDINARY ACTIVITIES	5			8,000		-	
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION				15,569		-	
DIVIDENDS	6			39,752		-	
LOSS RETAINED	13			£ (24,183)		£ -	

There were no recognised gains or losses other than the result for the financial year.

The Accounting Policies and Notes on pages 6 to 12 form part of these Financial Statements

ASH & LACY PERFORATORS LIMITED
A WHOLLY OWNED SUBSIDIARY OF ASH & LACY plc

BALANCE SHEET
AT 31 DECEMBER 1993

	Note	1993	1992
		£	£
FIXED ASSETS			
Tangible Assets:-	7		
Plant & Equipment		1,562,413	-
Motor Vehicles		161,659	-
In Course of Construction		81,625	-
		<u>1,805,697</u>	<u>-</u>
CURRENT ASSETS			
Stocks	8	978,382	-
Debtors	9	2,731,323	103,924
Cash at Bank and in Hand		<u>288,350</u>	<u>-</u>
		3,998,055	103,924
CREDITORS: Amounts falling due within one year	10	<u>5,638,238</u>	<u>-</u>
NET CURRENT (LIABILITIES)/ASSETS		(1,640,183)	103,924
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>165,514</u>	<u>103,924</u>
CREDITORS: Amounts falling due after more than one year	11	1,273	-
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred Taxation	12	84,500	-
		<u>85,773</u>	<u>-</u>
		<u>£ 79,741</u>	<u>£ 103,924</u>
CAPITAL AND RESERVES			
Called Up Share Capital	13	55,000	55,000
Profit and Loss Account	13	<u>24,741</u>	<u>48,924</u>
		<u>£ 79,741</u>	<u>£ 103,924</u>

The Financial Statements were approved by the Board of Directors on 31 March 1994.

H C MARSHALL)

J F KEATING) DIRECTORS

The Accounting Policies and Notes on pages 6 to 12 form part of these Financial Statements.

ACCOUNTING POLICIES
FOR THE YEAR 1993

The following are the main accounting policies of the Company which are consistent with those applied last year. These financial statements are drawn up for a period of 52 weeks ended on 31st December 1993 and the comparative figures stated are in respect of a period of 53 weeks ended on 1st January 1993.

Accounting Convention

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover is the total amount receivable by the Company (excluding VAT) in the ordinary course of business for goods supplied as a principal and for services provided including sales to Group members of £133,324 (1992 £-)

Stock and Work in Progress

The valuation is at cost or net realisable value whichever is lower. Cost is represented by cost of materials. Net realisable value is the actual or estimated selling price less all further costs to complete and less selling and distribution expenses.

Depreciation

Depreciation is calculated to write down the cost of tangible fixed assets by equal annual instalments over their expected useful lives.

The periods generally applicable are:

Plant and Equipment	-	4 to 7 years
Motor Vehicles	-	4 years

Deferred Taxation

Deferred taxation is the taxation attributable to timing differences between profits as computed for taxation purposes and profits as stated in the Financial Statements.

Deferred taxation is provided to the extent that it is probable that a liability will crystallise and not provided to the extent that it is probable that a liability will not crystallise. Unprovided deferred taxation is disclosed as a contingent liability or contingent asset, as appropriate.

Deferred taxation is calculated at the rate at which it is estimated that the tax will be paid when the timing differences reverse.

Foreign Currencies

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. All exchange differences are dealt with through the Profit and Loss Account.

ASH & LACY PERFORATORS LIMITED
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ACCOUNTING POLICIES (continued)
FOR THE YEAR 1993

Leased Assets

Where assets are financed by leasing agreements which give risks and rewards approximating to ownership ("finance leases") they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge.

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Pensions

The Company participates in pension schemes operated by the Ash & Lacy plc Group for the benefit of its employees. The funds of the schemes are administered by trustees, are separate from the Group and an independent actuary completes valuations every three years. In accordance with the actuary's recommendations, contributions may be adjusted so as to secure the benefits set out in the rules and augmentation of pensions from time to time. The pension cost charged to the profit and loss account is calculated by the actuary so as to spread the cost of pensions over the employees' working lives.

ASH & LACY PERFORATORS LIMITED
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NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR 1993

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation are attributable to the pressing and manufacture of perforated and expanded metal.

Analysis of turnover by geographical area:	<u>1993</u> £	<u>1992</u> £
United Kingdom	7,614,981	-
Rest of Europe	1,335,938	-
Other	<u>55,539</u>	<u>-</u>
	<u>£ 9,006,458</u>	<u>£ -</u>

2 OPERATING LOSS

Operating loss is stated after charging:

	<u>1993</u> £	<u>1992</u> £
Depreciation	549,018	-
Auditors' Remuneration	15,900	-
Operating Lease Rentals - Buildings	<u>172,791</u>	<u>-</u>

3 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1993</u>	<u>1992</u>
Bank Interest Receivable	<u>£25,611</u>	<u>£ -</u>

4 DIRECTORS AND EMPLOYEES

Employee costs during the year:-

	<u>1993</u> £	<u>1992</u> £
Wages and Salaries	2,307,894	-
Social Security Costs	220,579	-
Pension Costs	26,814	-
	<u>£2,555,287</u>	<u>£ -</u>

The average number of employees of the Company during the year was 191 (1992: 6)

ASH & LACY PERFORATORS LIMITED
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NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR 1993

4 DIRECTORS AND EMPLOYEES (CONTINUED)

Employee costs include remuneration and pension contributions in respect of Directors, as follows:-

	<u>1993</u>	<u>1992</u>
Management Remuneration	<u>£142,405</u>	<u>£ -</u>

The Directors' emoluments, excluding pension contributions were:-

The Chairman	<u>£ Nil</u>	<u>£ Nil</u>
The highest paid Director	<u>£39,709</u>	<u>£ -</u>

The emoluments of other Directors were in the following ranges:-

	<u>Number</u>	<u>Number</u>
Nil to £5,000	1	4
£5,001 to £10,000	1	-
£20,001 to £25,000	1	-
£30,001 to £35,000	2	-

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is based on the profit for the year and is made up as follows:

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Deferred Taxation	84,500	-
Group Relief	<u>(76,500)</u>	<u>-</u>
	<u>£ 8,000</u>	<u>-</u>

6 DIVIDENDS

	<u>1993</u>	<u>1992</u>
Interim Dividends paid	<u>£39,752</u>	<u>£ -</u>

NOTES ON FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR 1993

7 TANGIBLE FIXED ASSETS	Plant and Equipment	Motor Vehicles	In Course of Construction
	£	£	£
Cost			
At 1 January 1993	-	-	-
Additions	385,036	131,182	81,625
Disposals	(286,172)	(123,555)	-
Intra group transfers	6,116,055	334,255	191,754
Reclassifications	191,754	-	(191,754)
At 31 December 1993	£6,406,673	£341,882	£ 81,625
Depreciation			
At 1 January 1993	-	-	-
Provided in the year	477,260	71,758	-
Disposals	(286,172)	(92,640)	-
Intra group transfers	4,653,172	201,105	-
At 31 December 1993	£4,844,260	£180,223	-
Net Book Amount			
At 31 December 1993	£1,562,413	£161,659	£ 81,625
Net Book Amount			
At 1 January 1993	£ -	£ -	£ -
8 STOCKS	<u>1993</u>	<u>1992</u>	
	£	£	
Raw Materials	318,206	-	
Work in Progress	115,476	-	
Finished Goods	544,700	-	
	<u>£978,382</u>	<u>£ -</u>	

There were no significant differences between the replacement cost and the balance sheet value of stocks.

9 DEBTORS: Amounts falling due within one year	<u>1993</u>	<u>1992</u>
	£	£
Trade Debtors	2,225,121	-
Parent Undertaking	244,742	103,924
Fellow Subsidiary Undertakings	124,006	-
Prepayments and Accrued Income	<u>137,454</u>	<u>-</u>
	<u>£2,731,323</u>	<u>£103,924</u>

ASH & LACY PERFORATORS LIMITED
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NOTES ON FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR 1993

10 CREDITORS: Amounts falling due within one year	<u>1993</u> £	<u>1992</u> £
Trade Creditors	1,360,592	-
Parent Undertaking	3,176,697	-
Fellow Subsidiary Undertakings	823,580	-
Social Security and other Taxes	153,621	-
Other Creditors	12,525	-
Accruals and Deferred Income	<u>111,223</u>	<u>-</u>
	<u>£5,638,238</u>	<u>£ -</u>

There is an arrangement with the Company's bankers whereby bank balances and overdrafts of the Company, the parent undertaking and certain fellow subsidiary undertakings are offset.

11 CREDITORS: Amounts falling due after more than one year	<u>1993</u> £	<u>1992</u> £
Other Creditors	<u>£1,273</u>	<u>£ -</u>

12 DEFERRED TAXATION	<u>1993</u> £	<u>1992</u> £
Accelerated Capital Allowances	87,500	-
Other Timing Differences	<u>(3,000)</u>	<u>-</u>
	<u>£84,500</u>	<u>£ -</u>

The amount of deferred taxation not provided is as follows:-

Accelerated Capital Allowances	92,200	-
Other Timing Differences	<u>(18,200)</u>	<u>-</u>
Contingent Liability	<u>£ 74,000</u>	<u>£ -</u>

13 SHAREHOLDERS' FUNDS	Share Capital £	Profit and Loss Account £	Total £
At 27 December 1991	55,000	48,924	103,924
Retained profit for the year	<u>-</u>	<u>-</u>	<u>-</u>
At 1 January 1993	55,000	48,924	103,924
Retained loss for the year	<u>-</u>	<u>(24,183)</u>	<u>(24,183)</u>
At 31 December 1993	<u>£55,000</u>	<u>£24,741</u>	<u>£79,741</u>

The share capital consists of authorised, allotted, called up and fully paid ordinary shares of £1 each.

NOTES ON FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR 1993

14 CAPITAL EXPENDITURE

Capital expenditure authorised by the directors and contracted for but not provided for in the accounts was £13,000 at 31 December 1993 (1992: £-).

15 GUARANTEES AND CONTINGENT LIABILITIES

Other than deferred taxation (note 12), there were no contingent liabilities at 31 December 1993 or 1 January 1993.

16 PENSION COMMITMENTS

The Company participates in group pension schemes operated by its parent undertaking, Ash & Lacy plc, providing benefits based on final pensionable pay or total employee contributions.

Actuarial information relating to the pension schemes is contained in the Financial Statements of Ash & Lacy plc.

The Company made contributions of £26,814 during 1993 (1992: £-) which were charged to the profit and loss account.

17 LEASING COMMITMENTS

Operating lease payments amounting to £167,300 (1992:£-) are due within one year. The commitments to make the payments included in this sum relate to land and buildings and expire as follows:

	£
Between 2 and 5 years	7,300
After 5 years	<u>160,000</u>
	<u>£167,300</u>

18 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of this Company is Ash & Lacy plc which is registered in England and Wales.

Copies of the Report and Accounts of Ash & Lacy plc can be obtained from the Registered Office.