

COOKSON OVERSEAS LIMITED
(Registration No: 227478)

FINANCIAL STATEMENTS

31 DECEMBER 1995



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COMPANIES HOUSE 16/09/96

COOKSON OVERSEAS LIMITED

DIRECTORS' REPORT

The Directors submit their annual report and audited financial statements for the year ended 31 December 1995.

Principal Activity

The principal activity of the Company is the holding of investments.

Review of Developments

The profit for the financial year was £2,636,976 which has been transferred to reserves. The Directors do not recommend the payment of a dividend.

On 5 July 1995, ordinary shares of £215,000,000 nominal value were issued at par to the parent company, Cookson Group plc, for cash.

On 7 July 1995, the Company applied to the High Court for approval of a scheme for a reduction of share capital from £215,030,000 to £3,466,041 through the cancellation of £211,563,959 ordinary shares of £1 each.

The scheme was duly approved on 16 August 1995. The amount of the capital reduction was credited to a special reserve, which was then applied to eliminate the deficit on the profit and loss account.

Directors

The Directors who served during the year were as follows:

DH Millard	(appointed 1 May 1996)
RM Oster	
IS Barr	(resigned 1 May 1996)
SL Howard	
RMH Malthouse	

During the year no Director had any beneficial interest in the shares of the Company.

RM Oster and SL Howard are also directors of Cookson Group plc, the ultimate holding company. IS Barr was a director of Cookson Group plc. Their interests, at 31 December 1995, in the ordinary share capital and options to purchase ordinary shares in Cookson Group plc are shown in the financial statements of that company.

The interests of Mr Malthouse and his options to purchase shares in Cookson Group plc are shown below.

	31 December 1995	31 December 1994*
Ordinary shares held	5,803	4,705
Options to purchase shares	94,602	67,940

* as adjusted for the rights issue in March 1995.

COOKSON OVERSEAS LIMITED

DIRECTORS' REPORT (CONTINUED)

During the year Mr Malthouse was granted 26,662 options and exercised no options.

By order of the Board

A handwritten signature in dark ink, appearing to read 'Robin Malthouse', written in a cursive style.

Secretary

12 September 1996

130 Wood Street
London
EC2V 6EQ

DIRECTORS' RESPONSIBILITY STATEMENT TO THE MEMBERS
OF COOKSON OVERSEAS LIMITED

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;
- 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 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.

REPORT OF THE AUDITORS, KPMG
TO THE MEMBERS OF COOKSON OVERSEAS LIMITED

We have audited the financial statements on pages 6 to 13.

Respective responsibilities of directors and auditors

As described on page 4 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 as at 31 December 1995 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
LONDON

12 September

1996

COOKSON OVERSEAS LIMITED**PROFIT AND LOSS ACCOUNT***For the year ended 31 December 1995*

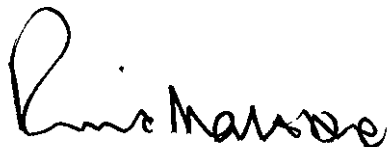
	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
Operating loss	2	(1,134,041)	(2,442,002)
Other interest receivable and similar income	3	6,260,435	65,275
Amounts written off investments		(1,936,125)	(42,562,281)
Interest payable and similar charges	4	(1,293)	(22,800,333)
Profit/(loss) on ordinary activities before taxation		3,188,976	(67,739,341)
Tax on profit/(loss) on ordinary activities	5	(552,000)	41,085,839
Profit/(loss) for the financial year		2,636,976	(26,653,502)
		=====	=====

The Company's activities relate wholly to continuing operations.

There are no recognised gains or losses in either year other than the profit/(loss) for the financial year.

COOKSON OVERSEAS LIMITED**BALANCE SHEET***As at 31 December 1995*

	Notes	1995 £	1994 £
FIXED ASSETS			
Investments	6	419,928,906 =====	420,053,906 =====
CURRENT ASSETS			
Debtors	7	6,704,734	41,911,164
CREDITORS:			
Amounts falling due within one year	8	(416,987,684) -----	(669,956,090) -----
NET CURRENT LIABILITIES		(410,282,950) =====	(628,044,926) =====
TOTAL ASSETS LESS CURRENT LIABILITIES		9,645,956 =====	(207,991,020) =====
CAPITAL AND RESERVES			
Called up share capital	9	3,466,041	30,000
Other reserves	10	3,542,939	3,542,939
Profit and loss account	10	2,636,976 -----	(211,563,959) -----
TOTAL EQUITY SHAREHOLDERS' FUNDS	11	9,645,956 =====	(207,991,020) =====



DIRECTOR

12 September 1996

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, and on a going concern basis as Cookson Group plc, the ultimate holding company, has undertaken to make available such funds as are required to enable the Company to continue its activities while it remains its subsidiary.

b) Presentation of the financial statements

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements since the Company is itself a wholly-owned subsidiary of Cookson Group plc. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company is exempt from the requirement of FRS 1 to prepare a cash flow statement as its cash flows are included within the consolidated cash flow statement of Cookson Group plc.

c) Investments

Investments in subsidiary undertakings ('subsidiaries') and associated undertakings ('associates') are stated at cost, less any provisions for diminution in value that are expected to be permanent.

Investments denominated in foreign currencies are translated at the exchange rates prevailing at the date of acquisition.

d) Deferred taxation

The taxation charge for the year takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes (principally interest), but only to the extent that it is probable that an actual liability or recovery will crystallise.

e) Foreign currency translation

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling on the balance sheet date. Any gains or losses arising from this retranslation are taken into the profit and loss account for the year.

COOKSON OVERSEAS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****2. OPERATING LOSS**

Other than the Directors the Company had no employees during the period. The Directors received no remuneration in respect of their services to the Company during the year. Any auditors' remuneration is borne by the parent company.

	<u>1995</u> £	<u>1994</u> £
The operating loss includes:		
Provisions against trade debtors	-	(6,027)
Provisions against amounts due from a subsidiary	(1,134,041)	(2,294,661)
Loss on disposal of fixed asset investment	-	(141,314)
	<u>(1,134,041)</u>	<u>(2,442,002)</u>

3. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1995</u> £	<u>1994</u> £
Interest receivable from Group undertakings	434,611	65,275
Other interest receivable	5,458,908	-
Exchange gains	366,916	-
	<u>6,260,435</u>	<u>65,275</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1995</u> £	<u>1994</u> £
Interest payable to Group undertakings	(1,293)	(21,515,316)
Exchange loss	-	(1,285,017)
	<u>(1,293)</u>	<u>(22,800,333)</u>

COOKSON OVERSEAS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	<u>1995</u> £	<u>1994</u> £
UK Corporation tax at 33%	(552,000)	-
Group relief receivable for the year	-	21,441,365
Other adjustments in respect of prior years	-	19,644,474
	<u>(552,000)</u>	<u>41,085,839</u>

During 1994 the parent company arranged for Group relief for the two years ended 31 December 1994 to be paid at 100% rather than at the tax rate (33%) as had previously been anticipated. The Group relief receivable in respect of the year ending 31 December 1993 was adjusted accordingly.

Provisions made against investments are not deductible in computing taxable profits for corporation tax purposes. No deferred tax asset has been recognised in respect of these provisions as the Directors have no intention of disposing of any investments in the foreseeable future.

COOKSON OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. FIXED ASSET INVESTMENTS

The fixed asset investments of the Company represent investments in subsidiary undertakings.

Cost	£
At 1 January 1995	462,616,187
Additions	1,811,125

At 31 December 1995	464,427,312
	=====
 Provisions	
At 1 January 1995	42,562,281
Made during the year	1,936,125

At 31 December 1995	44,498,406
	=====
 Net book value at 31 December 1995	419,928,906
	=====
 Net book value at 31 December 1994	420,053,906
	=====

In the Directors' opinion, the value of these investments is in the long-term not less than their net book value.

The investments in subsidiary undertakings represent holdings of 100% (unless otherwise stated) in the ordinary share capital of the following subsidiaries:

- Cookson America, Inc, incorporated in the USA (Holding company).
- Cookson Market Tin NV, incorporated in the Netherlands Antilles (Dormant).
- LIG Canada, Inc, incorporated in Canada (Holding Company).
- Alpha Metals Limited, incorporated in Hong Kong (Manufacturer of solders).
- Cookson Singapore Pte Ltd (formerly Alpha Metals Pte Ltd), incorporated in Singapore (Manufacturer of solders)
- Cookson GmbH, incorporated in Germany (Holding company).
- Cookson SpA, incorporated in Italy (Holding company) (99%).
- Cookson France S.A., incorporated in France (Holding company).
- Cookson Figueroa S.A., incorporated in Spain (Distributor of solders) (80.93%).
- Cookson Holdings BV, incorporated in the Netherlands (Holding company).
- Cia Minera y Refinadora Mexicana SA, incorporated in Mexico (Dormant).

COOKSON OVERSEAS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****7. DEBTORS**

	<u>1995</u> £	<u>1994</u> £
Amounts owed by subsidiary undertakings	6,704,734	943,884
Other debtors:		
Group relief receivable from parent company	-	40,967,280
	----- 6,704,734 =====	----- 41,911,164 =====

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u> £	<u>1994</u> £
Amounts owed to parent company and fellow subsidiary	(416,435,684)	(669,956,090)
Other creditors including taxation and social security:		
Mainstream corporation tax	(552,000)	-
	----- (416,987,684) =====	----- (669,956,090) =====

9. CALLED UP SHARE CAPITAL

	<u>1995</u> £	<u>1994</u> £
Authorised, allotted, called up and fully paid ordinary shares of £1 each	3,466,041 =====	30,000 =====

On 5 July 1995, ordinary shares of £215,000,000 nominal value were issued at par to the parent company, Cookson Group plc, for cash.

On 7 July 1995, the Company applied to the High Court for approval of a scheme for a reduction of share capital from £215,030,000 to £3,466,041 through the cancellation of £211,563,959 ordinary shares of £1 each.

COOKSON OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

9. CALLED UP SHARE CAPITAL (Cont'd)

The scheme was duly approved on 16 August 1995. The amount of the capital reduction was credited to a special reserve, which was then applied to eliminate the deficit on the profit and loss account.

10. STATEMENT OF RESERVES

	Other Reserves £	Profit and Loss Account £	Total £
At 1 January 1995	3,542,939	(211,563,959)	(208,021,020)
Capital restructuring	-	211,563,959	211,563,959
Profit retained for the year	-	2,636,976	2,636,976
At 31 December 1995	<u>3,542,939</u>	<u>2,636,976</u>	<u>6,179,915</u>

During the year the Company underwent a scheme of capital restructuring whereby the deficit on the profit and loss account was eliminated via a reduction in share capital. The scheme is explained more fully in note 9.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u> £	<u>1994</u> £
Shareholders' funds as at 1 January	(207,991,020)	(181,337,518)
Profit/(loss) for the financial year	2,636,976	(26,653,502)
New share capital subscribed	215,000,000	-
Shareholders' funds as at 31 December	<u>9,645,956</u>	<u>(207,991,020)</u>

12. ULTIMATE PARENT COMPANY

The Company's ultimate parent company is Cookson Group plc, which is registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Cookson Group plc. The accounts of Cookson Group plc are available to the public and may be obtained from 130 Wood Street, London, EC2V 6EQ.

No other group accounts include the results of the Company.