

**COOKSON OVERSEAS LIMITED**  
**(Registration No: 227478)**

**FINANCIAL STATEMENTS**

**31 DECEMBER 1994**



# **COOKSON OVERSEAS LIMITED**

## **DIRECTORS' REPORT**

The Directors submit their annual report and financial statements for the year ended 31 December 1994.

### **Principal Activity**

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

### **Review of Developments**

The loss for the financial year was £26,653,502 which has been transferred to reserves. The Directors do not recommend the payment of a dividend.

It is the intention of the Directors, with the agreement of the parent company, Cookson Group plc, to issue shares, of nominal value of approximately £215,000,000 at par to Cookson Group plc for cash.

It is then the intention of the Directors to apply to the court to eliminate the deficit on the profit and loss account of £211,563,959 by reducing the enlarged share capital of the Company by an equivalent amount.

### **Directors**

The Directors who served during the year were as follows:

R M Oster  
I S Barr  
S L Howard  
RMH Malthouse

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

RM Oster, I S Barr and S L Howard are also directors of Cookson Group plc, the ultimate holding company. Their interests in and the options to purchase 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.

	<b>31 December 1994</b>	<b>31 December 1993</b>
Ordinary shares held	4,705	4,587
Options to purchase shares	65,734	28,903

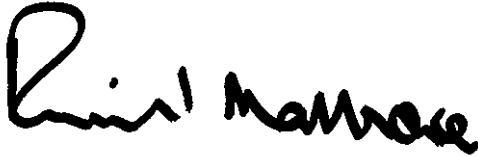
During the year Mr Malthouse was granted 36,831 options and exercised no options.

**COOKSON OVERSEAS LIMITED**

**DIRECTORS' REPORT (cont'd)**

**Auditors**

On 6th February 1995 the Company's auditors changed the name under which they practise to KPMG and accordingly have signed their report in their new name.

A handwritten signature in black ink, appearing to read 'R M H Malthouse', is written over the printed name.

By order of the Board  
**R M H MALTHOUSE**

Secretary

9 June 1995

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.



IS BARR  
DIRECTOR

9 June 1995

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

We have audited the financial statements on pages 6 to 12.

*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 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG  
Chartered Accountants  
Registered Auditors  
LONDON

9 June 1995

**COOKSON OVERSEAS LIMITED****PROFIT AND LOSS ACCOUNT****For the year ended 31 December 1994**

	<u>Notes</u>	<u>1994</u> £	<u>1993</u> £
Operating Loss	2	(2,300,688)	-
(Loss)/profit on disposal of fixed asset investments		(141,314)	227,020
Interest receivable from group undertakings		65,275	-
Amounts written off fixed asset investments		(42,562,281)	-
Interest payable	3	(22,800,333)	(21,023,829)
Loss on ordinary activities before taxation		<u>(67,739,341)</u>	<u>(20,796,809)</u>
Tax on loss on ordinary activities	4	41,085,839	7,956,205
Loss for the financial year		<u><u>(26,653,502)</u></u>	<u><u>(12,840,604)</u></u>

The Company's activities relate wholly to continuing operations.

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

**COOKSON OVERSEAS LIMITED****BALANCE SHEET****As at 31 December 1994**

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
<b>FIXED ASSETS</b>			
Investments	5	420,053,906	459,144,703
<b>CURRENT ASSETS</b>			
Debtors	6	41,911,164	8,832,215
<b>CREDITORS:</b>			
Amounts falling due within one year	7	(669,956,090)	(649,314,436)
<b>NET CURRENT LIABILITIES</b>		(628,044,926)	(640,482,221)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(207,991,020)</u>	<u>(181,337,518)</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital:			
Authorised, allotted, called up and fully paid ordinary shares of £1 each		30,000	30,000
Other reserves	8	3,542,939	3,542,939
Profit and loss account	8	(211,563,959)	(184,910,457)
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	9	<u>(207,991,020)</u>	<u>(181,337,518)</u>

The accounts on pages 6 to 12 were approved by the Board of Directors on 9 June 1995 and were signed on its behalf by:



IS Barr  
Director

## **COOKSON OVERSEAS LIMITED**

### **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.

	<b><u>1994</u></b> <b>£</b>	<b><u>1993</u></b> <b>£</b>
Other operating expenses comprise:		
Provisions against trade debtors	6,027	-
Provisions against amounts due from a subsidiary	2,294,661	-
	<u>2,300,688</u>	<u>-</u>

#### **3. INTEREST PAYABLE**

	<b><u>1994</u></b> <b>£</b>	<b><u>1993</u></b> <b>£</b>
Interest payable to group undertakings	21,515,316	23,612,897
Exchange loss/(profit)	1,285,017	(2,589,068)
	<u>22,800,333</u>	<u>21,023,829</u>

#### **4. TAX ON LOSS ON ORDINARY ACTIVITIES**

	<b><u>1994</u></b> <b>£</b>	<b><u>1993</u></b> <b>£</b>
Group relief receivable for the year	21,441,365	9,651,375
Adjustment to Group relief receivable in respect of prior year	19,595,215	-
Transfer from deferred tax	-	(1,695,170)
Other adjustments in respect of prior years	49,259	-
	<u>41,085,839</u>	<u>7,956,205</u>

During the year the parent company arranged for group relief for the two years ended 31 December 94 to be paid at 100% rather than at the tax rate (33%) as had previously been anticipated. Accordingly, the Group relief receivable in respect of the year ending 31 December 1993 has been adjusted.

## **COOKSON OVERSEAS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

#### **4. TAX ON LOSS ON ORDINARY ACTIVITIES (cont'd)**

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 to dispose of any investments in the foreseeable future.

#### **5. FIXED ASSET INVESTMENTS**

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

<b>Cost</b>	<b>£</b>
At 1 January 1994	459,144,703
Additions	3,682,518
Disposals	(211,034)
	-----
At 31 December 1994	462,616,187
	-----
<b>Provisions</b>	
At 1 January 1994	-
Made during the year	42,562,281
	-----
At 31 December 1994	42,562,281
	-----
Net book value at 31 December 1994	420,053,906
	=====
Net book value at 31 December 1993	459,144,703
	=====

In the Directors' opinion, the value of these investments is in the long-term not less than their net book value of £420,053,906.

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 (Dormant).
- Alpha Metals Limited, incorporated in Hong Kong (Manufacturer of solders).
- Alpha Metals Pte Limited, incorporated in Singapore (Manufacturer of solders).
- Cookson GmbH, incorporated in Germany (Holding company).
- Cookson SpA, incorporated in Italy (Holding company).
- Cookson France S.A., incorporated in France (Holding company).

## **COOKSON OVERSEAS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

#### **5. FIXED ASSET INVESTMENTS (cont'd)**

- Cookson Figueroa S.A., incorporated in Spain (Distributor of solders).
- Cookson Holdings BV, incorporated in the Netherlands (Holding company).
- Cia Minera y Refinadora Mexicana SA, incorporated in Mexico (Dormant).
- Cookson Overseas Verwaltungs GmbH, incorporated in Germany (Holding company).

The following companies were sold during the year:

- Cookson Ceramica Lda, incorporated in Portugal. (Manufacturer of Ceramics supplies. (Disposed 1 July 1994)
- CEART BV, incorporated in the Netherlands. (Acquired 26 August 1994, disposed 26 September 1994)

#### **6. DEBTORS**

	<b><u>1994</u></b> <b>Due within</b> <b>one year</b> <b>£</b>	<b><u>1993</u></b> <b>Due within</b> <b>one year</b> <b>£</b>
Amounts due from fellow subsidiaries	943,884	1,492,207
Group relief receivable from parent company	40,967,280	7,333,981
Trade debtor	-	6,027
	<hr/>	<hr/>
	<b>41,911,164</b>	<b>8,832,215</b>

A loan made to a fellow subsidiary of £905,154 bears interest at 0.5% above Libor. A similar loan of £2,294,661 to a subsidiary has been fully provided during the year as shown in note 2. All the loans are denominated in Dutch Guilders. Other loans to fellow subsidiaries are interest free. During the year amounts have been provided against trade debtors as shown in note 2.

#### **7. CREDITORS**

	<b><u>1994</u></b> <b>Due within</b> <b>one year</b> <b>£</b>	<b><u>1993</u></b> <b>Due within</b> <b>one year</b> <b>£</b>
Amounts owed to Group companies:		
Parent company	351,680,619	302,697,607
Fellow subsidiaries	318,275,471	346,616,829
	<hr/>	<hr/>
	<b>669,956,090</b>	<b>649,314,436</b>

## **COOKSON OVERSEAS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

#### **7. CREDITORS (cont'd)**

The loan from the parent company of £351,680,619 and a loan from a fellow subsidiary of £63,898 denominated in Guilders bear interest at 1% and 0.5% respectively, above Lloyds Bank Plc base rate (the loan from the parent company became interest free with effect from 1 January, 1995). Other loans from fellow subsidiaries are interest free.

#### **8. RESERVES**

	<b>Other Reserves £</b>	<b>Profit and Loss Account £</b>	<b><u>Total</u> £</b>
At 1 January 1994	3,542,939	(184,910,457)	(181,367,518)
Net loss for the financial year	-	(26,653,502)	(26,653,502)
	-----	-----	-----
At 31 December 1994	<u>3,542,939</u>	<u>(211,563,959)</u>	<u>(208,021,020)</u>

#### **9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>1994 £</b>	<b>1993 £</b>
Shareholders' funds as at 1 January	(181,337,518)	(168,496,914)
Loss for the financial year	(26,653,502)	(12,840,604)
	-----	-----
Shareholders' funds as at 31 December	<u>(207,991,020)</u>	<u>(181,337,518)</u>

#### **10. 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.