

Danks Holdings Limited

Directors' Report and Financial Statements
For the year ended 31 March 2001

Registered number: 328871



Directors' report

For the year ended 31 March 2001

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 March 2001.

Principal activities

The principal activity of the company is to act as an intermediate holding company.

Results and dividends

The profit for the year after taxation amounted to £159,000 and has been transferred to the profit and loss account reserve.

Directors and their interests

The directors during the year were as follows:

RG Beeston

JA Biles

MJR Porter

No directors had any interests in the shares of the company at 31 March 2001 or 1 April 2000.

RG Beeston and JA Biles are also directors of the ultimate parent company, and their interests in the shares of that company are disclosed in that company's financial statements.

The interests of the other director who held office at 31 March 2001 in the share capital of the ultimate parent company, was as follows:

Ordinary 10p shares

	Number	
	2001	2000
MJR Porter	7,283	417

SAYE share option scheme

	Number				31 March 2001
	1 April 2000	Granted	Exercised	Lapsed	
MJR Porter	6,866	5,152	(6,866)	-	5,152

All the options granted in the year were at an option price of 188 pence per share.

Options in existence at 31 March 2001 are exercisable between 2003 and 2004 at a price of 188 pence per share.

Directors' report (continued)

Directors and their interests (continued)

The market price of the shares of FKI plc at 31 March 2001 was 191.25 pence and the range during the year was 153 pence to 265.5 pence.

All interests shown above are beneficial.

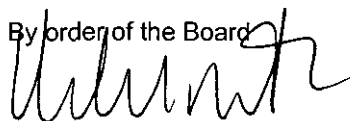
There are no other interests required to be disclosed under Section 234 of the Companies Act 1985.

Auditors

A resolution is to be proposed at the annual general meeting for the re-appointment of Arthur Andersen as auditors of the company.

15-19 New Fetter Lane
London
EC4A 1LY

By order of the Board



MJR Porter
Secretary

18 June 2001

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 of the company for that year. 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 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.



To the members of Danks Holdings Limited:

We have audited the financial statements on pages 5 to 10 which have been prepared on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of 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.

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 circumstances of the company, 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 affairs of the company as at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen
Chartered Accountants and Registered Auditors

1 City Square
Leeds
LS1 2AL

18 June 2001

Profit and loss account

For the year ended 31 March 2001

	Notes	2001 £'000	2000 £'000
Administrative expenses		(30)	(90)
Interest receivable and similar income	2	189	159
Profit on ordinary activities before taxation		<u>159</u>	<u>69</u>
Tax on profit on ordinary activities	3	-	(39)
Retained profit for the financial year	8	<u>159</u>	<u>30</u>

All results relate to continuing operations.

There are no recognised gains or losses other than the retained profit for the financial year.

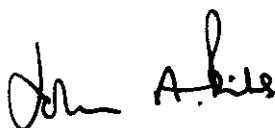
The accompanying notes are an integral part of this profit and loss account.

Balance sheet

31 March 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Investments	4	<u>1,751</u>	<u>1,751</u>
Current assets			
Debtors	5	3,518	3,329
Creditors: Amounts falling due within one year	6	<u>(539)</u>	<u>(509)</u>
Net current assets		<u>2,979</u>	<u>2,820</u>
Net assets		<u>4,730</u>	<u>4,571</u>
Capital and reserves			
Called-up share capital	7	410	410
Share premium account		1,448	1,448
Profit and loss account	8	<u>2,872</u>	<u>2,713</u>
Equity shareholders' funds	9	<u>4,730</u>	<u>4,571</u>

The accounts on pages 5 to 10 were approved by the board of directors on 18 June 2001 and signed on its behalf by:



JA Biles

Director

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies

31 March 2001

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below:

Basis of accounting

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

Group financial statements

The company has not prepared group financial statements as it is exempt from the requirement to do so by Section 228 of the Companies Act 1985 as it is a subsidiary undertaking of FKI plc, a company incorporated in Great Britain and registered in England and Wales, and is included in the consolidated financial statements of that company.

Cash flow statements

Under the provisions of FRS 1 "Cash flow statements (Revised 1996)", the company has not prepared a cash flow statement because its ultimate parent company, FKI plc, has prepared consolidated financial statements which include the financial statements of the company and which contain a cash flow statement.

Investments

Investments are stated at cost less provision for impairment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Notes to the financial statements

31 March 2001

1 Directors, employees and audit fee

The directors received no remuneration during the year (2000: £nil). There were no staff employed other than directors (2000: none). The audit fee in 2000 and 2001 was borne by the parent undertaking.

2 Interest receivable and similar income

	2001 £'000	2000 £'000
From fellow subsidiary undertakings	<u>189</u>	<u>159</u>

3 Tax on profit on ordinary activities

	2001 £'000	2000 £'000
UK corporation tax	<u>-</u>	<u>39</u>

Group relief has been surrendered by the parent company for nil consideration.

4 Fixed asset investments

Investment in subsidiary undertaking	£'000
Cost and net book value	
1 April 2000 and 31 March 2001	<u>1,751</u>

The subsidiary undertaking at 31 March 2001 is as follows:

Name	Country of incorporation	Class of Share	%
Bristol Babcock SA	France	Ordinary	100

The principal activity of Bristol Babcock SA is the manufacturing of small process control systems and electronic components.

In the opinion of the directors the aggregate value of the company's investment in the subsidiary undertaking is not less than the amount included in the balance sheet.

Notes to the financial statements (continued)

5 Debtors

	2001 £'000	2000 £'000
Amounts owed by fellow subsidiary undertakings	<u>3,518</u>	<u>3,329</u>

6 Creditors: Amounts falling due within one year

	2001 £'000	2000 £'000
Amounts owed to fellow subsidiary undertakings	445	415
Corporation tax	<u>94</u>	<u>94</u>
	<u>539</u>	<u>509</u>

7 Called up share capital

	Number	£'000
<i>Authorised, allotted, called-up and fully paid</i>		
£1 Ordinary shares		
1 April 2000 and 31 March 2001	<u>410,000</u>	<u>410</u>

8 Reserves

	Profit and loss account £'000
1 April 2000	2,713
Retained profit for the financial year	<u>159</u>
31 March 2001	<u>2,872</u>

9 Reconciliation of movements in shareholder's funds

	2001 £'000	2000 £'000
Retained profit for the financial year	159	30
Opening shareholders' funds	<u>4,571</u>	<u>4,541</u>
Closing shareholders' funds	<u>4,730</u>	<u>4,571</u>

Notes to the financial statements (continued)

10 Related party transactions

The company is exempt from the requirement of FRS 8 to include details of transactions with related parties who are fellow group undertakings.

11 Ultimate parent company

The directors regard FKI plc, a company incorporated in Great Britain and registered in England and Wales, as the company's ultimate parent company.

FKI plc is the parent undertaking of the only group of which Danks Holdings Limited is a member and for which group financial statements are drawn up. Copies of these financial statements are available to the public from The Company Secretary, FKI plc, 15-19 New Fetter Lane, London EC4A 1LY.