

Reg. No. 416671

BRIDON ROPES LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31ST DECEMBER 1993



BRIDON ROPES LIMITEDREPORT OF THE DIRECTORS

The Directors submit their Report and the Audited Accounts for the year ended 31st December 1993.

Business Review

The principal activity of the company is the manufacture and distribution of wire, wire rope and associated products, fibre ropes, engineering, associated design and research.

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Turnover	145,906 =====	139,505 =====
Profit on Ordinary Activities before Taxation	4,232	3,790
Taxation	(1,234)	(1,196)
	-----	-----
Profit for the Financial Year	2,998 =====	2,594 =====

An analysis of the turnover by geographical area is given in Note 1 of the accounts.

Results and Dividend

The transfer to reserves is £1,143,000 (1992 : transfer to reserves £630,000).

On 1st July 1993 the trade, assets and liabilities of Johnson and Nephew (Ambergate) Limited, a fellow BRIDON plc subsidiary undertaking, were transferred to the company.

On 11th October 1993 the trade, and certain assets and liabilities of the British Twines Division, were sold by the company.

The directors propose a final dividend of £1,855,000 (1992 : £1,964,000).

Research and Development

Research and development work is undertaken against a programme designed to ensure that the company remains in the forefront of developments in high technology and high strength products to meet the increasingly challenging needs of the industries it serves. Emphasis is also placed on the continual improvement of the quality of the company's products and the efficiency of its production processes.

Expenditure in this period on research and development amounted to £821,000 (1992 : £693,000).

BRIDON ROPES LIMITEDREPORT OF THE DIRECTORS (continued)Fixed Assets

On 31st December 1993, the majority of the company's land and buildings were revalued. The results of these revaluations have been included in the accounts. The directors consider that the net book value at 31st December 1993 fairly reflects the present open market value on an existing use basis.

Directors

The following served as Directors during and, unless otherwise indicated, throughout the year:-

G.E. Armitage	(appointed 21st May 1993)
J.B. Clayton	
H.N.C. Dunkley	
R.C. Hurd	
A.G. MacGregor	
P.H. Naylor	(appointed 21st May 1993)
S.J. Rutherford	
Dr. A.G. Stacey	
J.M. Tandy	
J.G. Thorn	(resigned 21st May 1993)
P. Walker	

Directors' Interests

The interests, all beneficial, of the Directors at the end of the year in the share capital of BRIDON plc comprise:

Ordinary shares of 25p each

	<u>At 31st December 1993</u>		<u>At 1st January 1993 (or date of appointment)</u>	
	<u>Shares</u>	<u>Options to subscribe for shares</u>	<u>Shares</u>	<u>Options to subscribe for shares</u>
H.N.C. Dunkley	860	79,492	860	79,492
R.C. Hurd	-	79,583	-	81,812
A.G. MacGregor	5,748	72,962	5,748	70,802
P.H. Naylor	-	30,000	-	30,000
S.J. Rutherford	-	110,403	-	108,103
Dr. A.G. Stacey	10,990	84,112	10,990	95,317
J.M. Tandy	-	15,512	-	15,512
P. Walker	13,570	31,812	20,750	28,659

BRIDON ROPES LIMITEDREPORT OF THE DIRECTORS (continued)

The following directors were granted options during the year, to subscribe for the number of ordinary shares, at the price shown, in accordance with the rules of the BRIDON plc Savings-Related Share Option Scheme and the Senior Executive Share Option Scheme:-

R.C. Hurd	9,583 at 72p
A.G. MacGregor	3,545 at 72p
S.J. Rutherford	2,300 at 72p
Dr. A.G. Stacey	2,300 at 72p
P. Walker	11,812 at 64p

The interests of Mr. G.E. Armitage and Mr. J.B. Clayton in the shares and share options of BRIDON plc are disclosed in the accounts of that company.

The Company had Directors' and Officers' Liability Insurance in force.

Employees

A long standing practice of briefing and discussing with all employees the half-year and full year results of the Group (with particular reference to the results of their own company) has been maintained and developed. In some cases audio visual presentations are made and where possible company directors are actively involved in these briefings and discussions. Consultation with employees' representatives on matters likely to affect their interests takes place on a regular basis.

Employees are informed at monthly briefings of the financial and economic factors affecting the performance of the company and highlighting its achievements. Employees of the company are able to participate in the Group's Savings-Related Share Option Scheme.

The company's policy provides employment opportunities equally for men and women and for disabled people, racial minorities and disadvantaged groups. Should employees become disabled and be no longer capable of performing their normal duties they will be considered for any available work within their capabilities.

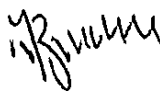
Charitable Donations

Donations to charitable organisations in the United Kingdom during 1993 amounted to £13,000 (1992 : £Nil).

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



A.C. BOYDELL
Company Secretary

DIRECTORS' RESPONSIBILITIES

in respect of the preparation of 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;
- ° 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Company and prevent and detect fraud and other irregularities.

By order of the board

A.C. Boydell

Company Secretary

22nd March 1994

AUDITORS' REPORT TO THE MEMBERS OF BRIDON ROPES LIMITED

We have audited the financial statements on pages 5 to 21.

Respective responsibilities of Directors and auditors

As described above 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, of 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 Company's affairs as at 31 December 1993 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Chartered Accountants

Registered Auditors

1 Puddle Dock, Blackfriars, London, EC4V 3PD.

22nd March 1994

BRIDON ROPES LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1993

	<u>Note</u>	<u>1993</u> <u>Continuing</u> <u>Operations</u> <u>£000</u>	<u>1992</u> <u>Total as</u> <u>Restated</u> <u>£000</u>
TURNOVER	1	145,906	139,505
Cost of sales		(112,104)	(104,749)
GROSS PROFIT		33,802	34,756
Distribution costs		(13,949)	(14,139)
Administrative expenses		(16,410)	(15,833)
OPERATING PROFIT		3,443	4,784
Loss on disposal of British Twines division		(2,191)	-
		1,252	4,784
Gain on write-off of Parent Company loan		3,286	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		4,538	4,784
Interest payable	3	(955)	(1,325)
Interest receivable	4	649	331
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	4,232	3,790
Tax on profit on ordinary activities	7	(1,234)	(1,196)
PROFIT FOR THE FINANCIAL YEAR		2,998	2,594
Dividends		(1,855)	(1,964)
RETAINED PROFIT FOR THE FINANCIAL YEAR,	17	1,143	630
		=====	=====

The notes on pages 8 to 21 form part of these accounts.

BRIDON ROPES LIMITEDBALANCE SHEET AS AT 31ST DECEMBER 1993

	<u>Note</u>	<u>1993</u> £000	£000	<u>1992</u> £000	£000
FIXED ASSETS					
Tangible Assets	8	50,280		46,512	
Investments	9	<u>1,568</u>		<u>1,568</u>	
			51,848		48,080
CURRENT ASSETS					
Stocks	10	16,325		16,838	
Debtors	11	40,782		27,324	
Cash at bank and in hand		<u>6,845</u>		<u>6,973</u>	
			63,952		51,135
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(43,347)</u>		<u>(29,969)</u>	
NET CURRENT ASSETS			20,605		21,166
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>72,453</u>		<u>69,246</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13		(18,261)		(17,901)
PROVISIONS FOR LIABILITIES AND CHARGES	15		<u>(1,750)</u>		<u>(1,467)</u>
NET ASSETS			<u>52,442</u> =====		<u>49,878</u> =====
CAPITAL AND RESERVES					
Called up share capital	16		26,000		26,000
Revaluation reserve	17		22,125		21,408
Profit and loss account	17		<u>4,317</u>		<u>2,470</u>
			<u>52,442</u> =====		<u>49,878</u> =====

These accounts were approved by
the Board of Directors on 22nd March 1994.



G.E. ARMITAGE

) DIRECTOR

The notes on pages 8 to 21 form part of these accounts.

BRIDON ROPES LIMITEDSTATEMENT OF TOTAL RECOGNISED GAINS & LOSSESFOR THE YEAR ENDED 31ST DECEMBER 1993

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Profit for the financial year	2,998	2,594
Unrealised surplus on revaluation of properties	1,131	-
Currency translation differences on foreign currency net investments	(32)	(7)
Total gains/(losses) recognised since last annual report	<u>4,097</u> =====	<u>2,587</u> =====

NOTE OF HISTORICAL COST PROFITS AND LOSSESFOR THE YEAR ENDED 31ST DECEMBER 1993

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Reported profit on ordinary activities before taxation	4,232	3,790
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	414	423
Historical cost profit on ordinary activities before taxation	<u>4,646</u> =====	<u>4,213</u> =====
Historical cost profit for the year retained after taxation and dividends	<u>1,557</u> =====	<u>1,053</u> =====

The notes on pages 8 to 21 form part of these accounts.

BRIDON ROPES LIMITEDACCOUNTING POLICIES

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

(a) Basis of accounting

The accounts have been prepared under the historical cost convention, amended by the revaluation of certain properties, and in accordance with applicable accounting standards.

Under FRS1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and a group cash flow statement is included in the accounts of the parent company.

The requirements of FRS3 - Reporting Financial Performance - have been adopted in the preparation of these accounts.

(b) Treatment of foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at exchange rates ruling at the year end. Trading results of the overseas branches accounted for in foreign currencies are translated into sterling at average rates of exchange ruling during the year. Gains and losses arising from the application of these principles are treated as follows:

- (i) gains and losses which arise from trading operations are credited or charged in arriving at the trading profits for the year.
- (ii) gains and losses arising on the translation of the net assets of the overseas branches are credited or charged to reserves.

(c) Depreciation

Depreciation of tangible fixed assets is calculated on a straight line basis and at rates sufficient to write off their cost or valuation over their estimated useful lives which are:

Freehold buildings - 15-45 years
Leasehold land & buildings - period of lease or maximum of 45 years
Plant & machinery - 7 years
Computer hardware - 5 years
Motor vehicles - 4 years

No depreciation is provided on freehold land.

Depreciation commences in the year of purchase of the assets and is based on the full cost of tangible assets before deduction of investment and development grants.

(d) Leased assets

Plant and machinery held under finance leases are capitalised at amounts equal to the fair value of the assets when they were acquired by the lessor and are depreciated in the same manner as owned assets. The capital element of future lease rental payments is included in creditors.

BRIDON ROPES LIMITEDACCOUNTING POLICIES (continued)

- (e) **Investment and development grants**
Assets on which such grants are receivable are capitalised at their full cost. The grants receivable are credited to deferred income. An amount is transferred annually from deferred income, to the credit of the profit and loss account on a straight line basis, reducing the effective charge for depreciation to the net cost of the assets concerned after deduction of the grants.
- (f) **Research and development**
Expenditure on research and development is written off in the year in which it is incurred.
- (g) **Stocks and work in progress**
Stocks have been valued at the lower of cost and net realisable value. Cost includes direct costs and factory overheads where applicable and is computed on a first in first out basis.
- (h) **Long-term contracts**
Amounts recoverable on contracts, which are included in debtors, are stated at cost plus attributable profit less any foreseeable losses. Payments received on account of contracts are deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors.
- (i) **Taxation**
Taxation is provided on the profits of the year as shown by the accounts. Provision for deferred taxation is made, under the liability method, for timing differences to the extent that it is estimated that such deferred tax liabilities may crystallise in the foreseeable future.
- (j) **Turnover**
Turnover represents amounts invoiced by the company in respect of goods and services supplied during the year, excluding value added tax.
- (k) **Pension**
The company is a member of the UK defined benefit scheme of BRIDON plc, the assets of which are held in trustee administered funds. Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

BRIDON ROPES LIMITEDNOTES TO THE ACCOUNTS1. **TURNOVER**

The analysis of turnover from continuing operations by business class is:

	<u>1993</u> £000	<u>1992</u> £000
Wire, wire rope and associated productions	93,004	83,076
Fibre products	12,165	15,855
Engineering	40,737	40,574
	<hr/>	<hr/>
	145,906	139,505
	=====	=====

The analysis of turnover from continuing operations by geographical area is:-

	<u>1993</u> £000	<u>1992</u> £000
United Kingdom	79,117	116,374
Continental Europe	29,432	14,717
Americas	12,328	3,021
Africa	2,893	1,505
Asia and Australasia	22,136	3,888
	<hr/>	<hr/>
	145,906	139,505
	=====	=====

2. **STAFF NUMBERS AND COSTS**

The average number of persons employed by the company (including directors) during the year was as follows:-

	<u>1993</u>	<u>1992</u>
Manufacturing	927	838
Sales and distribution	164	164
Management and administration	162	164
	<hr/>	<hr/>
	1,253	1,166
	=====	=====

BRIDON ROPES LIMITEDNOTES TO THE ACCOUNTS (Continued)Staff Numbers and Costs (Continued)

The aggregate payroll costs of these persons were as follows:-

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Wages and salaries	19,086	17,154
Social security costs	1,541	1,383
Other pension costs	1,375	1,199
	<hr/>	<hr/>
	22,002	19,736
	=====	=====

The above figures do not include the payroll costs, recharged by fellow BRIDON plc subsidiary undertakings whose trade was transferred to Bridon Ropes in the period 1988 to 1993 of £17,641,000 (1992 : £19,728,000). These amounts have been included in the appropriate expense line in the Profit and Loss Account.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
On bank overdraft and loans wholly repayable within five years	69	373
On intra-group loans	811	889
On finance leases	75	63
	<hr/>	<hr/>
	955	1,325
	=====	=====

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
On bank deposits	649	331
	=====	=====

5. PROFIT BEFORE TAXATION

The analysis of profit on ordinary activities before taxation from continuing operations by business class is:

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Wire, wire rope and associated productions	3,906	4,173
Fibre products	(523)	(2,132)
Engineering	849	1,749
	<hr/>	<hr/>
	4,232	3,790
	=====	=====

BRIDON ROPES LIMITEDNOTES TO THE ACCOUNTS (continued)**PROFIT BEFORE TAXATION (CONTINUED)**

Profit on ordinary activities before taxation is stated after charging the following:

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Depreciation of tangible fixed assets	4,588	4,327
Operating leases - hire of plant and machinery	610	864
Other operating lease rentals	33	195
Auditors' remuneration for audit work	135	153
Directors' emoluments	483	245
Exceptional items: relating to continuing operations, rationalisation and related redundancies	710	494

6. DIRECTORS' EMOLUMENTS

The aggregate amount of directors' emoluments, including pension contributions, was £483,000 (including £132,000 compensation for loss of office) (1992 : £245,000).

Emoluments of the directors, excluding pension scheme contributions, were as follows:

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Chairman	Nil	Nil
Highest paid director	61	62

	<u>Number of Directors</u>	
Range of emoluments:	<u>1993</u>	<u>1992</u>
Nil - £5,000	4	5
£15,001-£20,000	1	-
£30,001-£35,000	2	-
£35,001-£40,000	1	1
£40,001-£45,000	-	2
£45,001-£50,000	1	-
£50,001-£55,000	1	-
£60,001-£65,000	1	1
	<hr/>	<hr/>
	11	9
	===	===

BRIDON ROPES LIMITEDNOTES TO THE ACCOUNTS (continued)

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Tax based on profit on ordinary activities for the year:		
Group Relief payable at 33% (1992 : 33%)	(1,114)	(1,281)
Transfer (to)/from deferred taxation	(114)	128
	<hr/>	<hr/>
	(1,228)	(1,153)
(Under) provision in respect of prior years	(6)	(43)
	<hr/>	<hr/>
	(1,234)	(1,196)
	=====	=====

8. TANGIBLE FIXED ASSETS

	Land and buildings at cost £000	at valuation £000	Plant and machinery £000	Fixtures, fittings tools and equipment £000	Payments on account and assets in course of construction £000	Plant and machinery held under finance leases £000	TOTAL £000
Cost or valuation at 1st January 1993	4,277	29,762	39,338	4,491	744	1,875	80,487
Additions	472	-	1,568	249	3,001	-	5,290
Net intra-group transfers	-	1,450	7,483	175	-	53	9,161
Disposals	-	-	(2,864)	(122)	-	-	(2,986)
Reclassifications	(2,531)	2,556	632	131	(2,228)	1,440	-
Revaluations	-	(2,675)	-	-	-	-	(2,675)
Cost or valuation at 31st December 1993	2,218	31,093	46,157	4,924	1,517	3,368	89,277
Accumulated depreciation at 1st January 1993	319	2,921	26,317	2,793	-	1,625	33,975
Depreciation for the year	152	846	2,713	699	-	178	4,588
Net intra-group transfers	-	231	5,817	123	-	25	6,196
Disposals	-	-	(1,909)	(47)	-	-	(1,956)
Reclassifications	84	(84)	(6)	31	-	(25)	-
Revaluations	-	(3,806)	-	-	-	-	(3,806)
Accumulated depreciation at 31st December 1993	555	108	32,932	3,599	-	1,803	38,997
Net Book Value at 31st December 1993	1,663	30,985	13,225	1,325	1,517	1,565	50,280
Net Book Value at 31st December 1992	3,958	26,841	13,021	1,698	744	250	46,512

BRIDON ROPES LIMITEDNOTES TO THE ACCOUNTS (Continued)8. TANGIBLE FIXED ASSETS (Continued)

Land and buildings at valuation is made up as follows:-

	<u>Year of Valuation</u>	<u>£000</u>
Freehold	1993	25,735
	1988	1,108
Long leasehold	1993	4,250
		<u>31,093</u>
		=====

At 31st December 1993 a professional valuation was carried out on certain of the company's land and buildings since the book value was considered to be significantly different from the current market value. Properties have been valued on an open market existing use basis.

The properties revalued in 1993 of £29,985,000 were valued by Jones Lang Wootton, Chartered Surveyors. Additions to revalued land and buildings are included at cost.

The amount of land and buildings (included above at valuation) determined according to the historical cost accounting rules, are as follows:-

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Cost	13,730	9,500
Accumulated depreciation	(5,831)	(5,335)
	<u>7,899</u>	<u>4,165</u>
Net book value	=====	=====

The net book value of leasehold land and buildings is as follows:-

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Long leasehold	4,316	3,724
Short ' asehold	213	197
	<u>4,529</u>	<u>3,921</u>
	=====	=====

Freehold land and buildings include land which is not depreciable with a book value of £11,690,000 (1992 : £9,336,000).

BRIDON ROPES LIMITEDNOTES TO THE ACCOUNTS (continued)

9. INVESTMENTS

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Investments in subsidiary undertakings	297	1,568
Investments in associated undertakings	1,271	-
	<hr/>	<hr/>
	1,568	1,568
	=====	=====

The investments in subsidiary undertakings consisted solely of shares at cost in the following companies, which were dormant throughout 1993, and are wholly owned and registered in England and Wales:-

Darlington Fencing Company (East Anglia) Limited
 Darlington Fencing Company (Sleaford) Limited
 Defiant Fencing Limited
 Darfen (Scotland) Limited
 Allan Kennedy & Co. Limited

The Company also holds a 40.2% (1992 : 56.4%) investment in N.V. Bridon Ropes S.A. a company registered in Belgium. This has declined during the year due to a capital injection by the ultimate parent company, the other shareholders, in the form of a share issue.

The company is exempt (under S228 of the Companies Act 1985) from the obligation to prepare Group accounts since its results are included in the consolidated accounts of the ultimate parent company. The financial statements present information about the undertaking as an individual undertaking and not about its Group.

10. STOCKS

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Raw materials and consumables	5,770	5,707
Work in progress	4,006	3,457
Finished goods and goods for resale	6,549	7,674
	<hr/>	<hr/>
	16,325	16,838
	=====	=====

Stocks are disclosed net of applicable payments on account of £724,000 (1992 : £892,000).

BRIDON ROPES LIMITEDNOTES TO THE ACCOUNTS (Continued)

11. DEBTORS

	<u>1993</u> £000	<u>1992</u> £000
Trade debtors	26,821	15,245
Amounts owed by group undertakings	12,222	10,130
Amounts owed by undertakings in which the group has a participating interest	155	77
Other debtors	205	419
Prepayments and accrued income	1,379	1,193
Corporation tax	-	260
	<hr/>	<hr/>
	40,782	27,324
	=====	=====

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1993</u> £000	<u>1992</u> £000
Bank loans and overdrafts	595	4,400
Payments received on account	3	664
Trade creditors	25,054	16,494
Bills of exchange payable	-	17
Amount payable to Group undertakings	5,763	-
Amount payable to parent company	961	523
Corporation tax	1,325	-
Other taxes and social security costs	1,178	913
Other creditors	2,295	1,551
Accruals and deferred income	3,315	3,104
Proposed dividend	2,447	1,964
Obligations under finance leases (see Note 14)	411	339
	<hr/>	<hr/>
	43,347	29,969
	=====	=====

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1993</u> £000	<u>1992</u> £000
Loan due to group undertakings	17,021	17,021
Loans due to parent company	-	837
Obligations under finance leases (see Note 14)	1,240	43
	<hr/>	<hr/>
	18,261	17,901
	=====	=====

BRIDON ROPES LIMITEDNOTES TO THE ACCOUNTS (Continued)

14. OBLIGATIONS UNDER FINANCE LEASES

Obligations under finance leases (net of finance charges) are payable as follows:-

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Within one year	411	339
Between one and five years	1,240	43
	<u>1,651</u>	<u>382</u>
	=====	=====

15. PROVISIONS FOR LIABILITIES AND CHARGES

(a)	<u>Deferred</u> <u>Taxation</u> <u>£000</u>	<u>Development</u> <u>Grants</u> <u>£000</u>	<u>Total</u> <u>£000</u>
Balance at 1st January 1993	1,443	24	1,467
Transfer from divisionalised companies	193	-	'93
Charge/(credit) to profit & loss account	114	(24)	90
	<u>1,750</u>	<u>-</u>	<u>1,750</u>
	=====	=====	=====

(b)	<u>1993</u> <u>Amount</u> <u>provided</u> <u>£000</u>	<u>Full</u> <u>potential</u> <u>liability</u> <u>£000</u>	<u>1992</u> <u>Amount</u> <u>provided</u> <u>£000</u>	<u>Full</u> <u>potential</u> <u>liability</u> <u>£000</u>
Difference between accumulated depreciation and capital allowances	1,750	4,449	1,443	3,649
	=====	=====	=====	=====

There are potential tax liabilities, after accounting for available losses and advance corporation tax, of approximately £4,449,000 (1992 : £3,649,000) on capital gains and balancing charges which would arise in the event of realisation of the company's properties at the values stated in the accounts.

No provision for deferred taxation was made in relation to the revaluation of freehold land and buildings included in the revaluation reserve. It is considered that any liability will not crystallise in the foreseeable future.

BRIDON ROPES LIMITEDNOTES TO THE ACCOUNTS (Continued)

16. SHARE CAPITAL

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Authorised		
Ordinary shares of £1 each	26,000	26,000
	=====	=====
Share capital allotted, called up and fully paid		
Ordinary shares of £1 each	26,000	26,000
	=====	=====

17. RESERVES

	<u>Profit and</u> <u>Loss Account</u> <u>£000</u>	<u>Revaluation</u> <u>Reserve</u> <u>£000</u>	<u>Total</u> <u>£000</u>
As at 1st January 1993	2,470	21,408	23,878
Retained profit	1,143	-	1,143
Exchange adjustments	(32)	-	(32)
Transfer	414	(414)	-
Transfer from divisionalised companies	322	-	322
Revaluations	-	1,131	1,131
	-----	-----	-----
	4,317	22,125	26,442
	=====	=====	=====

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Profit for the financial year	2,998	2,594
Dividends	(1,855)	(1,964)
	-----	-----
Other recognised gains and losses	1,143	630
Transfer from divisionalised companies	1,099	(7)
	322	-
	-----	-----
Net additions to shareholders' funds	2,564	623
Opening shareholders' funds	49,878	49,255
	-----	-----
Closing shareholders' funds	52,442	49,878
	=====	=====

BRIDON ROPES LIMITEDNOTES TO THE ACCOUNTS (Continued)

19. CAPITAL COMMITMENTS

Capital commitments at 31st December 1993 for which no provision has been made in these accounts were as follows:-

	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Contracted for	219	131
Authorised, but not contracted for	2,034	1,786
	=====	=====

20. OBLIGATIONS UNDER LEASING COMMITMENTS

At 31st December 1993 the company had annual commitments under non-cancellable operating leases of £701,000 (1992 : £367,000) which expire as follows:-

	<u>1993</u>		<u>1992</u>	
	<u>Land and</u> <u>Buildings</u>	<u>Other</u>	<u>Land and</u> <u>Buildings</u>	<u>Other</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Within one year	12	89	12	17
Between one and five years	184	7	4	205
After five years	409	-	128	1
	=====	=====	=====	=====

21. PENSIONS

The group's pension costs are assessed in accordance with the advice of a qualified actuary on the basis of final pensionable earnings. Particulars of the last actuarial valuation of the scheme are contained in the financial statements of BRIDON plc.

The company pays a regular amount to BRIDON plc which makes contributions to the group scheme on its behalf. Any benefits or costs arising as a result of a scheme surplus or deficit are retained or borne by BRIDON plc. From the perspective of the company the scheme operates similarly to a defined contribution scheme; the particular requirements of SSAP24 concerning accounting for a defined benefit scheme, which would require the surplus or deficit to be recognised in this company, do not apply. In the opinion of the directors this treatment is appropriate in order to reflect the substance of the company's pension arrangements.