

**COOKSON FINANCIAL LIMITED**

**(Registration No: 758145)**

**FINANCIAL STATEMENTS**

**31 DECEMBER 1994**



**COOKSON FINANCIAL LIMITED**  
**DIRECTORS' REPORT**

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

**Principal Activities**

The principal activity of the Company is that of holding Company for Vesuvius Group Ltd, a Company registered in England and Wales, whose principal activity is that of holding company for certain overseas operating companies of the Vesuvius group.

**Review of Development**

The Company did not trade during the year and the directors do not recommend the payment of a dividend.

**Directors**

The directors who served during the year were as follows:

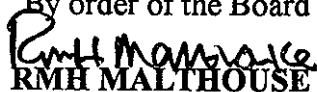
RM Oster  
IS Barr  
SL Howard

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

RM Oster, IS Barr and SL Howard are also directors of Cookson Group plc, the ultimate holding company. Their interests in and options to purchase 50p ordinary shares in Cookson Group plc are shown in the financial statements of that Company.

**Auditors**

On 6 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. In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the Annual General Meeting.

By order of the Board  
  
RMH MALTHOUSE

Secretary

16 January 1996

130 Wood Street  
London  
EC2V 6EQ

**DIRECTORS' RESPONSIBILITY STATEMENT TO THE MEMBERS**  
**OF COOKSON FINANCIAL 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.



**I S BARR**  
**DIRECTOR**

16 January 1996

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

We have audited the financial statements on pages 5 to 8.

*Respective responsibilities of directors and auditors*

As described on page 3 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 result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG  
Chartered Accountants  
Registered Auditors  
LONDON

16 January 1996

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

	<b><u>1994</u></b> <b>£</b>	<b><u>1993</u></b> <b>£</b>
Income from shares in group undertakings	<u>-</u>	<u>2,204,134</u>
Profit for the financial year and profit on ordinary activities before and after taxation	-	2,204,134
Dividends paid	<u>-</u>	<u>(2,204,134)</u>
Retained profit for the year	<u>-</u>	<u>-</u>

There were no recognised gains or losses for the year other than those disclosed in the profit and loss account.

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

	<b><u>Notes</u></b>	<b><u>1994</u></b> <b>£</b>	<b><u>1993</u></b> <b>£</b>
FIXED ASSET INVESTMENT	4	30,315,031	30,315,031
CURRENT ASSETS			
Debtors	5	215,905	215,905
NET CURRENT ASSETS		<u>30,530,936</u>	<u>30,530,936</u>
NON-EQUITY CAPITAL RESERVES			
Called up share capital	6	30,300,000	30,300,000
EQUITY CAPITAL AND RESERVES			
Called up share capital	6	232,500	232,500
Profit and loss account		(1,564)	(1,564)
TOTAL SHAREHOLDERS' FUNDS		<u>30,530,936</u>	<u>30,530,936</u>

The accounts on pages 5 to 8 were approved by the board of directors on 16 January 1996 and were signed on its behalf by:



**I S BARR**  
**DIRECTOR**

**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.

**b) Fixed Asset Investments**

Fixed asset investments are stated at cost, less any provisions for diminution in value where these are expected to be permanent.

**c) Presentation of the Financial Statements**

The company is exempt from the requirements of FRS1 to prepare a cash flow statement as it is not required to prepare Group accounts.

**2. DIRECTORS' AND AUDITORS' REMUNERATION**

The directors received no remuneration in respect of their services to the Company during the year. Auditors' remuneration is borne by the holding company.

**3. STAFF NUMBERS AND COSTS**

Other than the directors, the Company had no employees during the year.

**4. FIXED ASSET INVESTMENT**

Cost	<u>1994</u> £	<u>1993</u> £
At 1 January and at 31 December	30,315,031	30,315,031

The Company's fixed asset investment represents the cost of the investment in its wholly-owned subsidiary, Vesuvius Group Limited, a company registered in England and Wales whose principal activity is that of holding company for certain overseas operating companies of the Vesuvius group.

**5. DEBTORS**

	<u>1994</u> £	<u>1993</u> £
Amounts owed by parent company	215,905	215,905

# **COOKSON FINANCIAL LIMITED**

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

### **6. CALLED UP SHARE CAPITAL**

	<u>1994</u> £	<u>1993</u> £
<u>Authorised</u>		
<b>Equity</b>		
250,000 Ordinary shares of £1	250,000	250,000
	<u>          </u>	<u>          </u>
<b>Non-Equity</b>		
32,000,000 8.5% Non-Convertible Irredeemable Cumulative Preference Shares of £1 each	32,000,000	32,000,000
	<u>          </u>	<u>          </u>
<u>Allotted called up and fully paid</u>		
<b>Equity</b>		
Ordinary shares of £1 each	232,500	232,500
	<u>          </u>	<u>          </u>
<b>Non-Equity</b>		
30,300,000 8.5% Non-Convertible Irredeemable Cumulative Preference Shares of £1 each	30,300,000	30,300,000
	<u>          </u>	<u>          </u>

### **7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

There was no movement in shareholders' funds in the year.

### **8. DIVIDEND ON PREFERENCE SHARES**

No dividend was paid or proposed during the year in respect of the 8.5% Non-convertible Irredeemable Cumulative Preference Shares. The dividend in respect of the periods from the date of issue to 31 December 1994 will be paid in a future period. The accumulated arrears in respect of such dividends was £18.0m at 31 December 1994.

### **9. ULTIMATE HOLDING COMPANY**

The ultimate holding company of the Company is Cookson Group plc, a company incorporated in Great Britain 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.