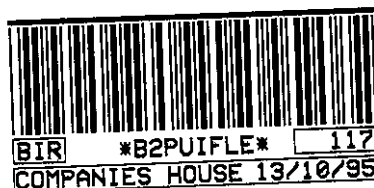


ENGLISH BRAIDS LIMITED
DIRECTORS' REPORT
AND
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1994

Registered in England Number 932500



ENGLISH BRAIDS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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ENGLISH BRAIDS LIMITEDDIRECTOR'S REPORT

The Director has pleasure in submitting his annual report and audited financial statements for the year ended 31st December, 1994

Principal activities

The business of the company is the manufacture of braided cord and ladderstring, the wholesaling of venetian blind components and webbing, and the manufacture of restraint systems.

Results for the year

The company has continued to strengthen its asset base, and is well placed for the future. The profit for the year is shown in the profit and loss account on page 3. The director recommends that no dividend be declared (1993: £nil) and that the retained profit for the year of £495917 (1993: £365650) be transferred to reserves.

Tangible Fixed assets

Changes in tangible fixed assets are shown in note 7 to the financial statements.

Director

Mr P R Earp is the sole director and served throughout the year.

Director's interests

Mr P R Earp's interest (including wife's holding) in the shares of the company at 31st December 1994, was 120,000 ordinary shares (1993: 120,000).

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 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 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.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

In accordance with S385 of the Companies Act 1985 a resolution for the reappointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board:

M. M. Earp

M M Earp
Secretary

Spring Lane
Malvern
Worcestershire

14th August 1995

TO THE DIRECTOR OF ENGLISH BRAIDS LIMITED

pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 11 together with the financial statements of English Braids Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1994.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 4 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31st December 1994 and the abbreviated accounts on pages 3 to 11 have been properly prepared in accordance with that Schedule.

Other information

On 14th August 1995 we reported, as auditors of English Braids Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1994 and our audit report was as follows:

"We have audited the financial statements on pages 3 to 11.

Respective responsibilities of directors and auditors

As described on page 1, 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 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 mis-statement, 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.

2 (continued)

TO THE DIRECTOR OF ENGLISH BRAIDS LIMITED

pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985
(continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."



Chartered Accountants /
Registered Auditors

14th August 1995

ENGLISH BRAIDS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 1994**

	note	1994 £	1993 £
Gross Profit		1382140	1310928
Distribution Costs		(356861)	(292413)
Administrative expenses		(540827)	(532697)
Operating profit		<u>484452</u>	<u>485818</u>
Other interest receivable and similar income		87051	94526
Interest payable and similar charges	4	(255)	(104)
Profit /(loss) on sale of fixed assets		<u>142876</u>	<u>(12783)</u>
Profit on ordinary activities before taxation	5	714124	567457
Tax on profit on ordinary activities	6	<u>(218207)</u>	<u>(201807)</u>
Profit on ordinary activities after taxation		495917	365650
Retained profit brought forward		<u>3773369</u>	<u>3407719</u>
Retained profit carried forward		<u><u>4269286</u></u>	<u><u>3773369</u></u>

There were no recognised gains or losses in either the current or preceding years other than those disclosed in the profit and loss account. In both the current and preceding years, the company made no material acquisitions and had no discontinued operations.

ENGLISH BRAIDS LIMITED**BALANCE SHEET****AT 31ST DECEMBER 1994**

	note	1994	1993
		£	£
FIXED ASSETS			
Tangible assets	7	2358746	1716429
CURRENT ASSETS			
Stocks	8	628835	408852
Debtors	9	829773	744247
Cash at bank and in hand		<u>1424479</u>	<u>1842508</u>
		2883087	2995607
CREDITORS			
Amounts falling due within one year	10	<u>(608860)</u>	<u>(660722)</u>
NET CURRENT ASSETS		<u>2274227</u>	<u>2334885</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4632973	4051314
PROVISIONS FOR LIABILITIES AND CHARGES	11	(243687)	(157945)
NET ASSETS		<u>4389286</u>	<u>3893369</u>
CAPITAL AND RESERVES			
Called up share capital	13	120000	120000
Profit and loss account		4269286	3773369
SHAREHOLDERS' FUNDS	12	<u>4389286</u>	<u>3893369</u>

The Director has taken advantage of the exemptions conferred by Part 2 of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a medium sized company.

These financial statements were approved by the director P.R.Earp on 14th August 1995.

P.R. Earp

Director



ENGLISH BRAIDS LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31ST DECEMBER 1994**

	note	1994 £	1994 £	1993 £	1993 £
Net cash inflow from operating activities	17		710425		541631
Returns on investments and servicing of finance					
Interest received		87051		94526	
Interest paid		<u>(255)</u>		<u>(104)</u>	
Net cash inflow from returns on investments and servicing of finance			86796		94422
Taxation					
Corporation tax paid		(209894)		(251909)	
Tax paid			(209894)		(251909)
Investing activities					
Payments to acquire tangible fixed assets		(1210557)		(158128)	
Receipts from sales of tangible fixed assets		<u>189658</u>		<u>33275</u>	
Net cash outflow from investing activities			<u>(1020899)</u>		<u>(124853)</u>
Net cash (outflow)/inflow before financing and (decrease)/increase in cash and cash equivalents	18		<u>(433572)</u>		<u>259291</u>

ENGLISH BRAIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

1 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the companies financial statements.

(a) Basis of Preparation

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

(b) Stocks

Stocks are valued at the lower of cost and net realisable value. For work in progress and finished goods, cost is taken as production cost which includes an appropriate proportion of overheads.

(c) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

(d) Depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Long leasehold buildings	-	2% straight line
Plant and machinery	-	15% straight line
Motor vehicles	-	25% reducing balance

(e) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

(f) Pension Costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

ENGLISH BRAIDS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st DECEMBER 1994****2 Staff numbers and costs**

	1994 Number	1993 Number
The average number of employees(including directors) during the year was as follows:	<u>90</u>	<u>77</u>
The aggregate payroll costs of persons employed by the company were as follows:	£	£
Wages and salaries	1134052	977742
Social security costs	74530	90861
Pension costs	<u>70000</u>	<u>70000</u>
	<u>1278582</u>	<u>1138603</u>

3 Director's emoluments

Excluding pension contributions, the emoluments of the sole director were £ 329359 (1993: £333101).

4 Interest payable

	1994 £	1993 £
On bank loans, overdrafts and other loans wholly repayable within five years.	<u>255</u>	<u>104</u>

ENGLISH BRAIDS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 1994****5 Profit on ordinary activities**

Profit on ordinary activities is stated after charging / (crediting) the following:

	1994	1993
	£	£
Depreciation of tangible fixed assets	379520	341555
(Profit)/loss on sales of tangible fixed assets	(142876)	12783
Auditors' remuneration and expenses - audit	8950	8925
Exchange (gains)/losses	(1166)	3842

6 Taxation

	1994	1993
	£	£
UK Corporation tax at 33% (1993: 33%) on the profit for the year on ordinary activities.	129785	207214
Deferred taxation	85742	(5993)
Adjustment relating to an earlier year	2680	586
	<u>218207</u>	<u>201807</u>

7 Fixed assets

	Long Leasehold land and buildings £	Plant and machinery £	Motor Vehicles £	Total £
<u>Cost</u>				
At 31st December 1993	925389	2865383	164889	3955661
Additions	3299	1044320	21000	1068619
Disposals	0	(256495)	(53740)	(310235)
At 31st December 1994	<u>928688</u>	<u>3653208</u>	<u>132149</u>	<u>4714045</u>
<u>Accumulated depreciation</u>				
At 31st December 1993	114867	2070859	53507	2239233
Disposals	0	(230812)	(32642)	(263454)
Charge for the period	18537	335929	25054	379520
At 31st December 1994	<u>133404</u>	<u>2175976</u>	<u>45919</u>	<u>2355299</u>
<u>Net book value</u>				
At 31st December 1994	<u>795284</u>	<u>1477232</u>	<u>86230</u>	<u>2358746</u>
At 31st December 1993	<u>810522</u>	<u>794524</u>	<u>111382</u>	<u>1716428</u>

ENGLISH BRAIDS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 1994**

8	<u>Stocks</u>	1994 £	1993 £
	Raw materials and work in progress	346922	219859
	Finished Goods	<u>281913</u>	<u>188993</u>
		<u>628835</u>	<u>408852</u>
9	<u>Debtors</u>	1994 £	1993 £
	Trade debtors	744770	702962
	Other debtors	49462	0
	Prepayments and accrued income	<u>35541</u>	<u>41285</u>
		<u>829773</u>	<u>744247</u>
10	<u>Creditors: Amounts falling due within one year</u>	1994 £	1993 £
	Bank loans and overdrafts	15543	-
	Trade creditors	314952	207948
	Other creditors including taxation and social security	238282	297668
	Accruals and deferred income	<u>40083</u>	<u>155106</u>
		<u>608860</u>	<u>660722</u>
	Other creditors including taxation and social security comprises:		
	Corporation tax	129785	207214
	Other taxes	96175	82056
	Social security	<u>12218</u>	<u>8398</u>
		238178	297668
	Other creditors	<u>104</u>	<u>0</u>
		<u>238282</u>	<u>297668</u>

The bank overdraft is secured by a fixed charge over the company's property.

ENGLISH BRAIDS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 1994**

11	<u>Provisions for liabilities and charges</u>		
	<u>Deferred Taxation</u>	1994 £	1993 £
	At 31st December 1993	157945	163938
	Transfer to/(from) profit and loss account	<u>85742</u>	<u>(5993)</u>
	At 31st December 1994	<u>243687</u>	<u>157945</u>

The amounts provided for deferred taxation at 33% (1993:33%) are set out below:

	Potential liability and amount	
	1994	1993
	£	£
Accelerated capital allowances	<u>243687</u>	<u>157945</u>

12	<u>Reconciliation of movements in shareholders' funds</u>		
		1994 £	1993 £
	Opening shareholders' funds	3893369	3527719
	Profit for the financial year	495917	365650
	Closing shareholders' funds	<u><u>4389286</u></u>	<u><u>3893369</u></u>

13	<u>Called up share capital</u>		
		£	£
	Authorised, allotted, called up and fully paid: Ordinary shares of £1 each	<u>120000</u>	<u>120000</u>

14 Subsidiary company

The company owns 100% of the issued ordinary share capital of Weblash Limited and Braids Limited, companies, registered in England and Wales which have not traded since incorporation. Consolidated accounts have not been prepared, on the grounds of immateriality.

15 Pension costs

The pension cost charge represents contributions payable by the company to the fund and amounted to £70000 (1993 £70000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

16 Commitments

Capital commitments at the end of the financial year for which no provision has been made

	1994	1993
	£	£
Contracted	<u>240636</u>	<u>-</u>

ENGLISH BRAIDS LIMITED**NOTES TO CASH FLOW STATEMENT****FOR THE YEAR ENDING 31ST DECEMBER 1994****17 Reconciliation of operating profit to net cash inflow from operating activities**

	1994 £	1993 £
Operating profit	484452	485818
Depreciation charges	379520	341555
Increase in stocks	(219983)	56269
Increase in debtors	(36063)	(88275)
Increase in creditors	102499	(253736)
Net cash inflow from operating activities	<u>710425</u>	<u>541631</u>

18 Analysis of changes in cash and cash equivalents

	£	£
Balance at 1 January 1994	1842508	1583217
Net cash (outflow)/inflow	(433572)	259291
Balance at 31 December 1994	<u>1408936</u>	<u>1842508</u>

19 Analysis of the balances of cash shown in the balance sheet

	At Bank £	Overdraft £	Net £
Balance at 1 January 1993	1584043	(826)	1583217
Movement in year	<u>258465</u>	<u>826</u>	<u>259291</u>
Balance at 31 December 1993	1842508	0	1842508
Movement in year	<u>(418029)</u>	<u>(15543)</u>	<u>(433572)</u>
Balance at 31 December 1994	<u>1424479</u>	<u>(15543)</u>	<u>1408936</u>