

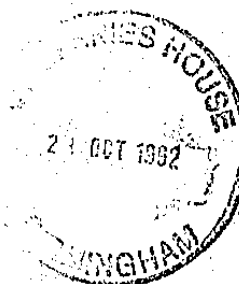
DRAKA CALFLEX LTD

(formerly Communication & Control Engineering Company Limited)

Directors' report and financial statements

For the year ended 31st December 1991

Registered in England No. 939069



## DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

### DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31st December 1991.

### Principal activities and Business Review

The principal activities of the Company are the manufacture of control, instrumentation and elevator control cables and the design and manufacture of electrical and electronic products for hazardous atmospheres.

On 24th April 1992 the net assets of the Electrical Products Division of the Company were sold to a consortium including some former employees of that division. The Company's name was changed at that date to Draka Calflex Ltd to reflect the ownership and nature of the ongoing business.

### Results and dividends

The Company recorded a profit on ordinary activities, after taxation, for the year ended 31st December 1991 of £184,921, (18 month period 31st December 1990 : £262,692). This result was after charging exceptional costs of £232,027 (covering redundancies following a rationalisation of business activities in July 1991 and costs of the Esher premises taken over from Boston Insulated Wire (UK) Ltd in 1990). The figures reflect an underlying improvement in the performance of the core cable manufacturing business. No dividend is proposed.

### Changes in fixed assets

Changes in fixed assets during the period are given in note 9 to the financial statements.

### Directors and Directors' interests

The Directors who held office during the period were as follows:-

G. Beetles	(Resigned 31st March 1992)
R. H. Baguley	
I. P. Greenaway	
C. Radford	(Resigned 24th April 1992)
S. J. van Kesteren (Netherlands)	
H. L. Gorissen (Netherlands)	
F. Horn	
G. Morel	(Resigned 30th September 1991)

None of the Directors who held office at the end of the period had any disclosable interest in the shares or debentures of the Company, or any Group Company during the period nor subsequently.

DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT (continued)

Disabled employees

The Group gives every consideration to applications for employment from disabled persons, where the requirements of the job may be adequately covered by a handicapped or disabled person. Employees who become disabled during employment are given continued employment where possible, and equal opportunities for training and career development are provided for all disabled employees.

Employee consultation

During the period, the Group has continued its practice of keeping employees informed on matters affecting them and on various factors relating to the performance of the Group. This has been achieved through formal and informal meetings. Employees are consulted regularly on a wide range of matters affecting their interests.

By order of the Board



R. H. Baguley  
Secretary

DRAKA CALFLEX LIMITED AND SUBSIDIARY COMPANIES

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE MEMBERS OF DRAKA CALFLEX LIMITED

We have audited the financial statements on pages 4 to 20 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group at 31st December 1991, and of the profit and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

KPMG Peat Marwick  
Chartered Accountants  
Registered Auditor  
Nottingham

26 OCTOBER 1992

DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1991

	Note	12 months to 31st December 1991 £	18 months to 31st December 1990 £
Turnover	1	14,988,330	21,668,500
Cost of sales		(12,195,603)	(17,747,334)
Gross profit		2,792,727	3,921,166
Distribution costs		(1,073,326)	(1,516,434)
Administrative expenses		(920,258)	(1,584,489)
Operating profit		799,143	820,243
Other interest receivable and similar income		-	2,167
Interest payable and similar charges	7	(470,563)	(546,723)
Profit on ordinary activities before exceptional items	2	328,580	275,687
Exceptional items	3	(232,027)	-
		96,553	275,687
Tax on profit on ordinary activities	4	88,368	(12,995)
Profit on ordinary activities after taxation		184,921	262,692
Extraordinary Loss After Taxation	8	(96,620)	(1,535,232)
Profit/(Loss) after extraordinary items and taxation		88,301	(1,272,540)
Dividend proposed		-	-
Profit/(Deficit) for the period		88,301	(1,272,540)
Statement of retained profit		£	£
Retained profit as brought forward		160,893	1,433,433
Profit/(Deficit) for the period		88,301	(1,272,540)
Retained profit carried forward		249,194	160,893

The notes on pages 8 to 20 form part of these financial statements.

DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31ST DECEMBER 1991

		31st December 1991	31st December 1990
	Note	£	£
<u>Fixed assets</u>			
Tangible assets	9	4,020,591	4,315,749
<u>Current assets</u>			
Stocks	11	2,500,017	2,665,904
Debtors	12	3,437,861	3,500,920
Cash at bank and in hand		435	723
		5,938,313	6,167,547
<u>Creditors: amounts falling due within one year</u>	13	(8,599,516)	(8,703,942)
<u>Net current liabilities</u>		(2,661,203)	(2,536,395)
<u>Total assets less current liabilities</u>		1,359,388	1,779,354
<u>Creditors: amounts falling due after more than one year</u>	14	(8,100)	(11,300)
<u>Provisions for liabilities and charges</u>	16	(186,000)	(699,067)
<u>Net assets</u>		1,165,288	1,068,987
<u>Capital and reserves</u>			
Called up share capital	17	202,000	202,000
Capital reserve	18	714,094	706,094
Profit and loss account		249,194	160,893
		1,165,288	1,068,987

These financial statements were approved by the Board of Directors on 16 October 1992



)  
) Directors

I. Greenaway

R. H. Baguley

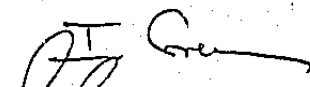
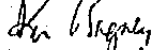
The notes on pages 8 to 20 form part of these financial statements.

DRAKA CALFLEX LTD

BALANCE SHEET FOR THE YEAR ENDED 31ST DECEMBER 1991

		31st December 1991		31st December 1990	
	Note	£	£	£	£
<u>Fixed assets</u>					
Tangible assets	9	4,020,591		4,315,749	
Investments	10	4		4	
			4,020,595		4,315,753
<u>Current assets</u>					
Stocks	11	2,500,017		2,665,904	
Debtors	12	3,437,861		3,500,920	
Cash at bank and in hand		435		723	
		5,938,313		6,167,547	
<u>Creditors: amounts falling due within one year</u>	13	(8,599,520)		(8,703,946)	
Net current liabilities			(2,661,207)		(2,536,399)
<u>Total assets less current liabilities</u>			1,359,388		1,779,354
<u>Creditors: amounts falling due after more than one year</u>	14		(8,100)		(11,300)
<u>Provisions for liabilities and charges</u>	16		(186,000)		(699,067)
Net assets			1,165,288		1,068,987
<u>Capital and reserves</u>					
Called up share capital	17		202,000		202,000
Capital reserve	18		714,094		706,094
Profit and loss account			249,194		160,893
			1,165,288		1,068,987

These financial statements were approved by the Board of Directors on 26 October 1992

)  
 ) Directors  
 )

I. Greenaway  
 R. H. Baguley

The notes on pages 8 to 20 form part of these financial statements.

# DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

## CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST DECEMBER 1991

	12 months to 31st December 1991 £	18th months to 31st December 1990 £
Source of funds		
Profit on ordinary activities before taxation	96,553	275,687
Extraordinary items before taxation	(144,210)	(1,865,232)
	(47,657)	(1,589,545)
Adjustments for items not involving the movement of funds:		
Depreciation	489,764	543,676
Pension provision	-	(17,494)
Profit on the sale of tangible fixed assets	(25,697)	(15,486)
Other provisions	-	503,109
	464,067	1,013,805
Funds generated/(absorbed) from operations	416,410	(575,740)
Funds from other sources		
Proceeds of sale of tangible fixed assets	74,510	45,656
	490,920	(530,084)
Application of funds		
Purchase of fixed assets	(243,419)	(1,922,837)
Decrease in creditors: amounts falling due after more than one year	(3,200)	(4,800)
Provisions utilised during period	(369,109)	
	(615,728)	(1,927,637)
Increase in working capital	(124,808)	(2,457,721)
Components of increase in working capital		
Stocks	(165,887)	698,838
Debtors	(63,059)	1,550,164
Creditors falling due within one year	619,620	(4,616,671)
Movement in net liquid funds: (Decrease)/increase in cash at bank and in hand	(288)	114
(Increase) in overdraft	(515,194)	(90,166)
	(124,808)	(2,457,721)



## DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

### NOTES

(forming part of the financial statements)

#### 1. Accounting policies

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

##### Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards.

##### Basis of consolidation

The Group financial statements consolidate the financial statements of Draka Calflex Ltd and both its subsidiaries.

In the Company's financial statements investments in subsidiaries are stated at cost less provisions for permanent diminution in underlying net assets of subsidiaries.

A separate profit and loss account has not been presented for the Company as provided for by S228 of the Companies Act 1985. However, since neither subsidiary has traded during the year, the Company's and consolidated profit and loss accounts are equivalent.

Goodwill is eliminated from the financial statements, being written off against reserves.

##### Tangible fixed assets

Certain land and buildings are restated periodically to reflect professional valuations. Other fixed assets are stated at cost (revalued using specific Government indices), less accumulated depreciation.

Depreciation of fixed assets is provided to write off the cost or valuation over the estimated useful lives of the assets at the following annual rates:

Land and residential buildings	- Nil
Industrial buildings	- 2% (Prior to 1st July 1989 1%)
Plant and equipment	- 10% - 20%
Motor vehicles	- 25%

##### Stocks

Stocks are stated at the lower of average cost and net realisable value. Cost includes all direct costs incurred in bringing stocks to their present state and location including an appropriate proportion of manufacturing overheads.

## DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

### NOTES

(forming part of the financial statements)

#### 1. Accounting policies (continued)

##### 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. Deferred taxation is only provided where, in the opinion of the Directors, there is reasonable evidence that such taxation will become payable in the foreseeable future.

##### Pension Liability

It is general policy of the Group to fund pension liabilities, on the advice of external actuaries, by payments to insurance companies. Payments made to the funds and charged in the financial statements comprise current and past service contributions. Actuarial valuations on a going concern basis are carried out every three years.

Provision has been made in prior years for the estimated pension costs in respect of employees' past service as at the date of commencement of the scheme. Further past service costs arising from improvements in benefits under the scheme since inception are being funded and charged to profit through the annual funding rate.

##### Research and development expenditure

Expenditure on research and development is written off against profits in the year in which it is incurred.

##### Turnover

Turnover represents invoiced sales, net of trade discounts, allowances and VAT.

##### Capital reserve

Surpluses arising on the revaluation of assets are credited to a non-distributable reserve known as the capital reserve. On the disposal of a revalued asset, any remaining revaluation surplus corresponding to the disposed item is also transferred to the profit and loss account.

# DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

## NOTES(continued)

### Foreign currencies

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

### Leases

Rental charges under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease. Vehicles being leased under hire purchase contracts are capitalised with depreciation being charged to profit and loss in line with the depreciation policy; with the amount of obligations related to the finance lease (net of finance charges allocated to future periods) being shown as a liability.

## 2 Profit on ordinary activities before exceptional items

	12 months to 31st December 1991	18 months to 31st December 1990
	£	£
After (charging)/crediting :		
Depreciation	(489,764)	(538,062)
Profit on sale of fixed assets	25,697	12,041
Auditors remuneration - audit fees	(17,400)	(32,054)
- non audit fees	(8,240)	(2,800)
Hire costs	(28,116)	(37,169)
Operating lease rentals - plant and machinery (incl. motor vehicles)	(94,297)	(151,746)

## 3 Exceptional Items

	12 months to 31st December 1991	18 months to 31st December 1990
	£	£
Costs of premises taken over from Boston Insulated Wire (UK) Ltd in 1990	(33,027)	-
Redundancy Costs	(199,000)	-
	<hr/> (232,027)	<hr/> -

## 4 Tax on profit on ordinary activities

	12 months to 31st December 1991	18 months to 31st December 1990
	£	£
Corporation tax	-	(695)
Deferred tax	88,368	(12,300)
	<hr/> 88,368	<hr/> (12,995)

# DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

## NOTES(continued)

### 5 Remuneration of Directors

	12 months to 31st December 1991	18 months to 31st December 1990
	£	£
Directors' emoluments		
Remuneration as Executives	161,629	307,896
Pension Costs	17,007	26,942
Compensation for loss of office	-	47,794

The current joint Chairmen received emoluments of £3000 each (1990:£3000 each). The emoluments of the highest paid Director were £48,402 (1990:£67,435).

The emoluments, excluding pension contributions, of the Directors were within the following ranges:

	<u>Number of Employees</u>	
	12 months to 31st December 1991	18 months to 31st December 1990
£0 - £5,000	4	5
£30,001 - £35,000	2	-
£35,001 - £40,000	1	-
£40,001 - £45,000	-	2
£45,001 - £50,000	1	2
£50,001 - £55,000	-	1
£65,001 - £70,000	-	1

### 6 Staff numbers and costs

The average number of persons employed (full-time equivalent) by the Group during the period (including Executive Directors) was as follows:-

	<u>Number of employees</u>	
	12 months to 31st December 1991	18 months to 31st December 1990
Hourly paid	137	170
Salaried Staff	75	84
	<u>212</u>	<u>254</u>

The aggregate payroll costs of these persons (incl. Directors) were as follows:

	12 months to 31st December 1991	18 months to 31st December 1990
Wages and salaries	3,266,879	4,656,670
Social Security costs	297,483	437,981
Pension costs	96,750	163,835
	<u>3,661,112</u>	<u>5,258,486</u>

DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

NOTES(continued)

7 Interest payable and similar charges

	12 months to 31st December 1991 £	18 months to 31st December 1990 £
On bank overdrafts and loans Repayable within five years not by instalments	82,692	321,130
On debentures Repayable within five years by instalments	1,713	3,362
On Group loan Repayable within five years not by instalments	<u>464,049</u>	<u>193,732</u>
Total interest payable	548,454	518,224
Foreign exchange (gains)/losses	(77,891)	28,499
	<u>470,563</u>	<u>546,723</u>

8 Extraordinary Loss

	12 months to 31st December 1991 £	18 months to 31st December 1990 £
Costs of reorganisation upon transfer of net assets of Boston Insulated Wire (UK) Limited and F. Horn Electrical Components Limited	-	(1,018,381)
Provision against cost of assets and stock of Boston Insulated Wire (UK) Limited	-	(350,000)
Costs of, and provision against future costs of litigation involving quality of goods sold by Boston Insulated Wire (UK) Limited	(144,210)	(146,851)
Costs of, and provision against future costs of premises previously occupied by Boston Insulated Wire (UK) Limited	<u>-</u>	<u>(350,000)</u>
	(144,210)	(1,865,232)
Less attributable taxation	<u>47,590</u>	<u>330,000</u>
	<u>(96,620)</u>	<u>(1,535,232)</u>

**DRAX CALFLEX LTD AND SUBSIDIARY COMPANIES**  
**NOTES(continued)**

**9 Tangible fixed assets**  
**Group and Company**

	Freehold land and buildings £	Short Leasehold Buildings £	Long Leasehold Buildings £	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Total £
<b>Cost or valuation</b>							
At 31st December 1990	1,344,000	11,228	28,218	5,818,327	701,558	113,746	8,017,077
Additions	4,475	4,327	-	201,464	33,153	-	243,419
Disposals	-	-	-	(348,637)	-	-	(348,637)
Revaluation for period	-	-	-	-	-	-	-
At 31st December 1991	1,348,475	15,555	28,218	5,671,154	734,711	113,746	7,911,859
<b>Depreciation</b>							
At 31st December 1990	45,827	591	5,239	3,034,579	419,385	61,707	3,567,328
Charge for period	17,983	1,590	-	388,243	60,006	21,942	489,764
Disposals	-	-	-	(290,812)	-	-	(290,812)
Revaluation for period	-	-	-	-	-	-	-
At 31st December 1991	63,810	2,181	5,239	3,132,010	479,391	83,649	3,766,280
<b>Provisions against cost</b>							
At 31st December 1990	-	-	22,979	76,772	34,249	-	134,000
Provision for period	-	-	(6,950)	(2,063)	1	-	(9,012)
At 31st December 1991	-	-	16,029	74,709	34,250	-	124,988
<b>Net book value</b>							
At 31st December 1990	1,298,173	10,637	-	2,706,976	247,924	52,039	4,315,749
At 31st December 1991	1,284,665	13,374	6,950	2,464,435	221,070	30,097	4,020,591

Included within freehold land and buildings is land valued at £420,000 which is not depreciated.

**DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES**  
**NOTES(continued)**

**9 Tangible fixed assets(continued)**

Statement of asset values at historical cost:  
Group and Company

	Freehold land and buildings £	Short leasehold buildings £	Long leasehold buildings £	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Total £
<b>Historical cost</b>							
At 31st December 1990	696,235	11,228	28,218	4,886,018	543,876	100,705	6,266,280
Additions	4,475	4,327	-	201,464	33,153	-	243,419
Disposals	-	-	-	(287,775)	-	-	(287,775)
Acquisitions	-	-	-	-	-	-	-
At 31st December 1991	700,710	15,555	28,218	4,799,707	577,029	100,705	6,221,924
<b>Historical cost</b>							
<b>Depreciation</b>							
At 31st December 1990	123,604	591	5,239	2,349,366	287,492	53,912	2,820,204
Charge for period	15,404	1,590	-	362,404	53,813	19,264	452,475
Disposals	-	-	-	(232,060)	-	-	(232,060)
At 31st December 1991	139,008	2,181	5,239	2,479,710	341,305	73,176	3,040,619
<b>Provisions against cost</b>							
At 31st December 1990	-	-	22,979	76,772	34,249	-	134,000
Provision for period	-	-	(6,950)	(2,063)	1	-	(9,012)
At 31st December 1991	-	-	16,029	74,709	34,250	-	124,988
<b>Historical Cost</b>							
<b>Net book value</b>							
At 31st December 1990	572,631	10,637	-	2,459,880	222,135	46,793	3,312,076
At 31st December 1991	561,702	13,374	6,950	2,245,288	201,474	27,529	3,056,317

Included within freehold land and buildings is land valued at £350,000 which is not depreciated.

# DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

## NOTES(continued)

### 10 Fixed asset investments

Shares in subsidiaries

COMPANY  
£

Cost and net book value  
At 31st December 1991 and 31st December 1990

4

In the opinion of the Directors the investments in the Company's subsidiaries are worth at least the amounts at which they are stated in these financial statements.

The subsidiaries, both of which are wholly owned, incorporated and registered in England, are:

Bawco Limited  
Calflex Cables Limited

Neither of these companies have traded during the year.

### 11 Stocks

	GROUP AND COMPANY	
	31st December 1991	31st December 1990
	£	£
Raw materials and consumables	1,323,512	1,454,873
Work-in-progress	485,127	654,450
Finished goods and goods for resale	<u>691,378</u>	<u>556,581</u>
	<u>2,500,017</u>	<u>2,665,904</u>

### 12 Debtors

	GROUP AND COMPANY	
	31st December 1991	31st December 1990
	£	£
Amounts falling due within one year		
Trade debtors	3,047,788	3,142,033
Other debtors	135,462	269,936
Prepayments	<u>254,611</u>	<u>88,951</u>
	<u>3,437,861</u>	<u>3,500,920</u>



# DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

## NOTES (continued)

### 13 Creditors: amounts falling due within one year

	GROUP		COMPANY	
	31st December 1991 £	31st December 1990 £	31st December 1991 £	31st December 1990 £
Debenture loans	3,200	3,200	3,200	3,200
Bank overdraft	985,998	470,804	985,998	470,804
Trade creditors	472,185	1,700,746	472,185	1,700,746
Amounts owed to group undertakings	4,729,673	3,955,528	4,729,677	3,955,532
Other creditors including Taxation & social security:				
Corporation tax	3,500	3,500	3,500	3,500
Other taxes	93,847	89,704	93,847	89,704
Social security	77,102	119,020	77,102	119,020
Accruals	484,011	611,440	484,011	611,440
Dividend proposed	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,750,000</u>
	<u>8,599,516</u>	<u>8,703,942</u>	<u>8,599,520</u>	<u>8,703,946</u>

### 14 Creditors: amounts falling due after more than one year

	GROUP AND COMPANY	
	31st December 1991 £	31st December 1990 £
Debenture loans - instalments payable within 5 years	8,100	11,300
TOTAL	<u>8,100</u>	<u>11,300</u>

### 15 Debenture loans

There was one loan outstanding at the year end, secured by specific charges on the Company's property. The interest rate ruling on this loan is 13% per annum. This loan is repayable by equal annual instalments and will be repaid in full by September 1995.

DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

NOTES(continued)

16 Provisions for liabilities and charges

	GROUP AND COMPANY		
	Deferred Taxation £	Other £	Total £
Balance at 31st December 1990	329,958	369,109	699,067
Charge for the year in the profit and loss account	(135,958)	-	(135,958)
Utilised within the period	-	(369,109)	(369,109)
Transfer to Capital Reserve	(8,000)	-	(8,000)
Balance at 31st December 1991	186,000	-	186,000

The amounts provided for deferred taxation and the amounts not provided are set out below:

	GROUP AND COMPANY			
	31st December 1991		31st December 1990	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and amortisation capital allowances	536,000	-	538,121	-
On revaluation of assets	124,000	101,235	136,937	101,235
Other timing differences	(474,000)	-	(345,100)	-
	186,000	101,235	329,958	101,235

Other provisions for  
liabilities:

	31st December 1991 £	31st December 1990 £
Provision against future costs of premises previously occupied by Boston Insulated Wire (UK) Limited.	-	269,109
Provision against future costs of litigation involving quality of goods sold by Boston Insulated Wire (UK) Limited	-	100,000
	-	369,109

DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

NOTES (continued)

17 Called up share capital

	GROUP AND COMPANY	
	31st December 1991	31st December 1990
	£	£
Authorised:		
200,000 Ordinary shares of 1p each	2,000	2,000
200,000 Deferred shares of £1 each	200,000	200,000
	<hr/>	<hr/>
	202,000	202,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
200,000 Ordinary shares of 1p each	2,000	2,000
200,000 Deferred shares of £1 each	200,000	200,000
	<hr/>	<hr/>
	202,000	202,000
	<hr/>	<hr/>

18 Capital Reserves

	GROUP AND COMPANY
	£
Balance at 1st January 1991	706,094
Provision for Deferred Taxation (Rate Change)	8,000
	<hr/>
Balance at 31st December 1991	714,094
	<hr/>

# DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

## NOTES(continued)

### 19 Commitments

- a) At 31st December 1991 the Group and Company had annual commitments under non-cancellable operating leases as follows:

	GROUP AND COMPANY	
	31st December 1991 £	31st December 1990 £
Land and buildings leases which expire: In more than five years	356,531	347,350
	<hr/>	<hr/>
	356,531	347,350
	<hr/>	<hr/>
<u>Other Assets</u>		
Operating leases which expire: Within one year	24,612	35,850
In the second to fifth years incl.	34,944	61,809
	<hr/>	<hr/>
	59,556	97,659
	<hr/>	<hr/>
GRAND TOTAL	416,087	445,009
	<hr/>	<hr/>

- b) Capital commitments at 31st December, for which no provision has been made in these financial statements, were as follows:

	GROUP AND COMPANY	
	31st December 1991 £	31st December 1990 £
Contracted	17,000	78,778
Authorised but not contracted	-	133,222
	<hr/>	<hr/>
	17,000	212,000
	<hr/>	<hr/>

### 20 Pension arrangements

The Company provides a defined benefit scheme for staff employees, which is funded by defined Company and employee contributions. The scheme funds are administered by Trustees and are invested in managed funds with a recognised insurance company.

A valuation of the scheme at 1st July 1991 has been made by a qualified independent actuary. This used the attained age method and assumed that future investment returns would be 9% per annum, and salary increases would average 7½% per annum. The valuation showed the value of the scheme assets as £1,446,000 and the level of funding as 110%. The surplus over the accrued liabilities in respect of ranking service up to 1st July 1991 is retained in the fund, allowing the maintenance of the current 17% contribution rate.

Full provision has been made in the accounts for the cost of benefits accruing during the period. All contributions outstanding by the Company at 31st December 1991 (£153,293) have been paid into the scheme in 1992 together with accumulated interest.

DRAKA CALFLEX LTD AND SUBSIDIARY COMPANIES

NOTES(continued)

21 Post balance sheet events

In April 1992 the net assets of the Electrical Products Division of the Company were sold to a consortium including some former employees of that division. The Company's name was changed at that date to Draka Calflex Ltd to reflect the ownership and nature of the ongoing business.

22 Ultimate Holding Company

The Company's ultimate holding Company is Draka Holding N.V., a company incorporated in the Netherlands.

The smallest and largest group of companies which publishes consolidated accounts and of which this company is a member is Draka Holding NV.

Copies of these consolidated accounts for this company can be obtained from the Company Secretary, Draka Calflex Ltd, Park Road, Calverton, Nottingham, NG14 6LL.