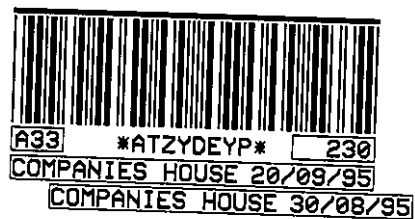


CATNIC COMPONENTS LIMITED
(Registered Number 1154797)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1994



CATNIC COMPONENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The Directors present their annual report together with the unaudited financial statements for the year ended 31 December 1994.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company has not traded during the year.

DIRECTORS AND DIRECTORS' INTERESTS

The composition of the Board of Directors during the year, and to the date of this report, was as follows:

J P W Morgan
R B Williams

None of the directors held any beneficial interests in shares in the Company during the year.

The interests of the Directors in the issued Ordinary share capital, Preference shares and Loan notes of Caradon plc, the ultimate parent undertaking, are as follows:

	31 December 1994				31 December 1993			
	Ordinary Shares	Options Over Ordinary Shares	Preference Shares	Loan Notes	Ordinary Shares	Options Over Ordinary Shares	Preference Shares	Loan Notes
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>£</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>£</u>
JPW Morgan	-	35,282	-	-	-	-	-	-
R B Williams	-	7,807	-	-	-	-	-	-

The following option over Ordinary shares of Caradon plc were granted to, or exercised by, the Directors during the year.

<u>Director</u>	<u>Options Granted</u> (No of shares)	<u>Options Exercised</u> (No of shares)
J P W Morgan	35,282	-
R B Williams	7,807	-

No Director was or is interested in any contract subsisting during or at the end of the year which was significant in relation to the Company's business.

CATNIC COMPONENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

DIRECTORS AND DIRECTORS' INTERESTS (CONTINUED)

The Company has continued to provide liability insurance for its Directors and officers as permitted by the Companies Act 1985.

AUDITORS

The Company is exempt by Section 250 of the Companies Act 1985 from appointing Auditors as otherwise required by Section 384 of the Act and has passed elective resolutions to dispense with the holding of annual general meetings and laying of accounts and reports before such meetings.

By Order of the Board



C K Bhowmik
Secretary

28 April 1995

CATNIC COMPONENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act 1985 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 as at the end of the financial year and of the profit or loss of the Company for the financial 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;

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.

CATNIC COMPONENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

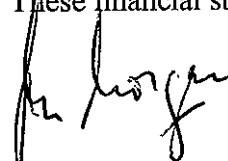
BALANCE SHEET AS AT 31 DECEMBER 1994

	<u>Notes</u>	31 December <u>1994</u> £	31 December <u>1993</u> £
CURRENT ASSETS			
Debtors		113	113
		—	—
NET CURRENT ASSETS		113	113
		—	—
TOTAL ASSETS LESS CURRENT LIABILITIES		113	113
CREDITORS (amounts falling due after more than one year)		160	160
		—	—
		(47)	(47)
		==	==
CAPITAL AND RESERVES			
Called up share capital	4	15	15
Profit and Loss account		(62)	(62)
		—	—
		(47)	(47)
		==	==

The Company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the year.

The notes on page 5 form part of these financial statements.

These financial statements were approved by the Board of Directors on 28 April 1995.



J P W Morgan
DIRECTOR

CATNIC COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statement.

2 COMPANY'S ACTIVITIES

During the year the Company has not traded, has not incurred any liabilities and consequently, has made neither profit nor loss, (year ended 31 December 1993: £Nil).

3 DIRECTORS

None of the Directors received any emoluments in respect of their services to the Company (year ended 31 December 1993: £Nil) or had any beneficial interest in the share capital of the Company.

4 SHARE CAPITAL

	<u>31 December 1994</u>	<u>31 December 1993</u>
	£'000	£'000
Authorised		
15,000 Ordinary shares of £1 each	<u>15</u>	<u>15</u>
Allotted		
called up and fully paid		
15,000 Ordinary shares of £1 each	<u>15</u>	<u>15</u>

5 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Caradon plc, a company registered in England. The Caradon Group is the largest and smallest group of which the Company is a member and for which group financial statements are prepared. Copies of these group financial statements can be obtained from Caradon plc, Caradon House, 24 Queens Road, Weybridge, Surrey KT13 9UX.