

KAMEWA (U.K.) LTD.

REPORTS AND ACCOUNTS

FOR

THE YEAR ENDED

31st December 1986

KAMEWA (U.K.) LIMITED

REPORTS AND ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1986

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KAMEWA (U.K.) LIMITED

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DIRECTORS at 31st December 1986

Mr. N.O. Flyborg	(Chairman)
Mr. M.J. Conway	(Managing)
Mr. T. Pelsenius	(Director & Secretary)

SECRETARY

Mr. T. Pelsenius

BANKERS

Midland Bank PLC.

AUDITORS

Peat, Marwick, Mitchell & Co.

REGISTERED OFFICE

Anchor and Hope Lane, Charlton, London, SE7 7SZ.

KAMEWA (U.K.) LIMITED

REPORT OF THE DIRECTORS

The Directors submit their annual report and the audited accounts for the twelve months ending 31st December, 1986.

SHARE CAPITAL

25,000 Ordinary Shares of £1.00 each were issued during the year.

24,999 were issued and fully paid to KaMeWa A.B., Sweden.

Mr. M.J. Conway held one fully paid share as a nominee of KaMeWa A.B., Sweden.

BUSINESS REVIEW

The principal activity of the company during the twelve months was the service and support of KaMeWa A.B. products in the U.K.

STATE OF AFFAIRS

In the opinion of the Directors, the state of the company's affairs is satisfactory, and there has been no material change since the date of the balance sheet.

PROFITS AND APPROPRIATIONS

The profit for the year, after taxation, was £11,830.

DONATIONS

The company made no charitable donations.

DIRECTORATE

Mr. N.O. Flyborg            (Chairman)  
Mr. M.J. Conway            (Managing)  
Mr. T. Pelsenius            (Secretary)

The Directors have no interest in the capital of companies within the Vickers Group.

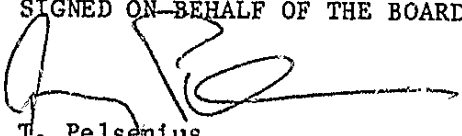
EMPLOYEE INVOLVEMENT

The Directors attach the greatest importance to the development of employee involvement based on good communications and working relations.

AUDITORS

Peat, Marwick, Mitchell, who will practice under the name of Peat, Marwick, McLintock as from 1st April, 1987, have expressed their willingness to continue in office and in accordance with the Companies Act 1985, a resolution concerning their re-appointment will be proposed at the forthcoming Annual General Meeting.

SIGNED ON BEHALF OF THE BOARD



T. Pelsenius  
Company Secretary

March, 1987.

**REPORT OF THE AUDITORS  
TO THE MEMBERS OF KAMEWA (U.K.) LIMITED**

We have audited the accounts set out on pages 5 to 11 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on page 8, give a true and fair view of the state of the Company's affairs at 31st December, 1986, and of its profit and source and application of funds for the year ended on that date, and comply with the Companies Act 1985.

*Parliamentary*  
Chartered Accountants  
London

2. 1984.

KAMEWA (U.K.) LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1986

	<u>NOTES</u>	<u>1986</u> <u>£</u>
Turnover	2	455,683
Cost of Sales		<u>368,182</u>
Gross Profit		87,501
Administration Expenses		(116,525)
Other Operating Income		51,873
Interest Payable		<u>( 4,293)</u>
Profit on ordinary activities before Taxation	4	18,556
Tax on profit on ordinary activities	6	<u>( 6,726)</u>
Profit for the financial year		11,830
Proposed Dividend		<u>-</u>
Retained Profit for the financial year		11,830
Retained Profit Brought Forward		<u>-</u>
Retained Profit Carried Forward	7	<u>11,830</u>

The attached notes on pages 8 - 11 form part of these Accounts.

KAMEWA (U.K.) LIMITEDBALANCE SHEET AT 31st DECEMBER 1986

<u>FIXED ASSETS</u>	<u>NOTES</u>	<u>1986</u> <u>£</u>
Tangible assets	8	2,912
Investments	9	<u>98</u>
		3,010
<u>CURRENT ASSETS</u>		
Stocks	10	40,288
Debtors	11	186,167
Cash-in-Hand		<u>69</u>
		229,534
<u>CURRENT LIABILITIES</u>		
Creditors amounts falling due within 1 year	12	<u>(192,704)</u>
<u>NET CURRENT ASSETS</u>		<u>36,830</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>36,830</u>
Creditors amounts falling due after more than year		-
<u>PROVISIONS FOR LIABILITIES &amp; CHARGES</u>		<u>-</u>
<u>NET ASSETS</u>		<u>36,830</u>
<u>CAPITAL AND RESERVES</u>		
Called up Share Capital		25,000
Retained Profit		<u>11,830</u>
		<u>36,830</u>

The attached notes on pages 8 - 11, form part of these Accounts.

Approved by the  
DIRECTORS.....

DATE.....

KAMEWA (U.K.) LIMITEDStatement of Source and Application of Funds for the Year ended31st December, 1986

<u>SOURCE OF FUNDS</u>	<u>1986</u> <u>£</u>
Profit on ordinary activities before taxation	11,830
Adjustments for items not involving the movement of funds:	
Depreciation and amortisation	7,574
Surplus on sale of Fixed Assets	( 726)
<u>FUNDS GENERATED FROM OPERATIONS</u>	<u>18,678</u>
<u>FUNDS FROM OTHER SOURCES</u>	
Sale of Fixed Assets	10,210
Issue of Share Capital	25,000
	<u>53,888</u>
<u>APPLICATION OF FUNDS</u>	
Acquisition of Investment	( 98)
Acquisition of Fixed Assets	(19,970)
	<u>33,820</u>
<u>INCREASE/(DECREASE) IN WORKING CAPITAL</u>	
Stocks Increase/(Decrease)	40,288
Debtors Increase/(Decrease)	186,167
Creditors (Increase)/Decrease	(114,570)
Movement in Net Liquid Funds	
Increase/(Decrease) in cash at Bank & in Hand	69
(Increase)/Decrease in Bank overdraft	( 78,134)
	<u>33,820</u>

KAMEWA (U.K.) LIMITEDNotes to Accounts for the Year ended 31st December, 1986

## 1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Accounts.

## (a) BASIS OF ACCOUNTING

All items are stated in the accounts under the historical cost accounting rules.

## (b) DEPRECIATION AND AMORTISATION

Depreciation is calculated on motor vehicles to write them off over their estimates useful life at 25% on a reducing balance. All other tangible assets are written off in the year of purchase.

## (c) STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. In respect of work in progress and finished goods, costs include all production overheads less provisions for anticipated losses on certain contracts, and are net of advances received and receivable.

## (d) DEFERRED TAXATION

The Company provides deferred taxation on the liability method, to take account of the timing differences between the treatment of certain items for accounting purposes and their treatment for Corporation Tax, except where there is reasonable probability that no such liability will arise in the foreseeable future. No such liability existed at 31st December, 1986.

## (e) FOREIGN EXCHANGE

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Any exchange differences are written off to profit and loss as they arise.

## 2. TURNOVER

Turnover represents amounts invoiced by the Company in respect of goods sold during the year, excluding V.A.T. and Discount:-

<u>Activity</u>	<u>1986</u> <u>£</u>
<u>Marine Servicing</u>	
<u>Geographical Area</u>	
United Kingdom	287,226
Europe	163,904
Asia	4,553
Other	-
	<u>455,683</u>

Notes to Accounts for Year ended 31st December, 1986 (Cont.)

## 8. FIXED ASSETS

	<u>Furniture &amp; Fittings</u>	<u>Motor Vehicles</u>	<u>Electronic Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost</u>				
At 1st Jan. 1986	-			
Additions	2,048	16,200	1,722	19,970
Disposals	951	12,394	1,722	15,067
At 31st Dec. 1986	1,097	3,806	-	4,903
<u>Depreciation</u>				
At 1st Jan. 1986	-	-	-	
Charged	2,048	3,804	1,722	7,574
Disposals	951	2,910	1,722	5,583
At 31st Dec. 1986	1,097	894	-	1,991
<u>Net Book Values</u>				
At 31st Dec. 1986.	-	2,912	-	2,912

## 9. INVESTMENTS

Shares in Associated Company

Cost	£ 98
Less Written-off	-
At 31st December 1986.	£ 98

The company owns 1% of the Issued Share capital of Kamewa Italia S.A., incorporated in Italy.

## 10. STOCKS

	<u>1986</u>
	<u>£</u>
Raw Materials	20,187
Work in Progress	20,101
	<u>40,288</u>

## 11. DEBTORS

<u>Amounts Falling Due within one Year</u>	<u>1986</u>
	<u>£</u>
Trade Debtors (including Unpaid Claims)	120,849
Amounts owed by Group Companies	61,154
Other Debtors	4,164
	<u>186,167</u>

Notes to Accounts for Year ended 31st December, 1986 (Cont.)

## 12. CREDITORS

Amounts Falling Due within one Year

	<u>1986</u> <u>£</u>
Taxation	6,726
Bank Overdraft	78,134
Instalments in advance of Contract Expenditure	25,000
Trade Creditors	11,005
Amounts owed to Group Companies	56,749
Accruals and Deferred Income	11,290
Other Creditors and Provisions	3,800
	<u>192,704</u>

## 13. SHARE CAPITAL

	<u>1986</u> <u>£</u>
Authorised	<u>250,000</u>
Allotted, called up and fully paid 25,000 Ordinary Shares of £1 each	<u>25,000</u>

## 14. PENSIONS

In the United Kingdom, the Group operates Pension Schemes which are administered by trustees and their funds are independent of the Group's finances. Contributions are paid to the schemes in accordance with the recommendations of independent actuaries.

## 15. ULTIMATE HOLDING COMPANY

The Ultimate Holding Company is Vickers P.L.C. incorporated in the United Kingdom.