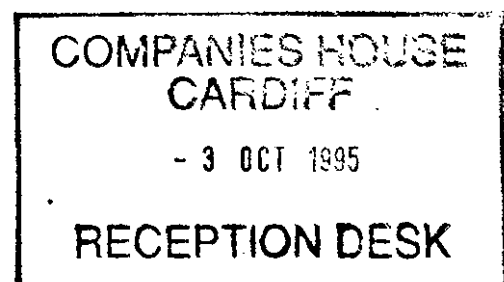


CARADON NA HOLDINGS LIMITED

(Registered Number: 2284944)

DIRECTORS' REPORT AND FINANCIAL  
STATEMENTS

31 DECEMBER 1994



## CARADON NA HOLDINGS LIMITED

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994**

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

#### **Principal Activity and Business Review**

The principal activity is a holding company. The principal subsidiaries are listed in note 5 to the accounts.

#### **Results and Dividends**

The profit for the year after taxation amounted to £4.3m (year ended 31 December 1993, £Nil). The Directors do not recommend payment of a final dividend (1993, £Nil).

#### **Directors and Directors' Interests**

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

C K Bhowmik  
A Holland (Appointed 9 June 1994)

The interests of the Directors of the Company in Caradon plc are as follows:

	<u>31 December 1994</u>				<u>31 December 1993</u> or date of appointment			
	Ordinary Shares Number	Options over Ordinary Shares Number	Preference Shares Number	Loan Notes £	Ordinary Shares Number	Options over Ordinary Shares Number	Preference Shares Number	Loan Notes £
C K Bhowmik	615	23,722	-	-	-	21,503	-	-
A.E. Holland	12,042	29,970	-	-	9,992	25,835	-	-

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

Director	No of shares	No of shares
	<u>Granted</u>	<u>Exercised</u>
C K Bhowmik	2,834	615
A E Holland	6,185	2,050

CARADON NA HOLDINGS LIMITED

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994**

Options reported above have been granted under the rules of Caradon plc's Savings Related and Executive Share Option Schemes.

Options under the Savings Related Share Option Schemes are normally exercisable between 1994 and 2001 at prices ranging between 148p and 290p per share.

Options under the Executive Share Option Schemes are normally exercisable between three and ten years from the date of grant at prices ranging between 79p and 341p per share.

No options over Ordinary shares of Caradon plc were exercised by the Directors during the year.

None of the other Directors held any beneficial interest in shares in the Company or any other group company during the year.

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

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

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Price Waterhouse as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



**C K BHOWMIK**  
DIRECTOR

28 April 1995

## CARADON NA HOLDINGS LIMITED

### **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 do so.

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.

CARADON NA HOLDINGS LIMITED

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse  
Chartered Accountants and  
Registered Auditors  
Southwark Towers  
32 London Bridge Street  
London SE1 9SY

28th April 1995

CARADON NA HOLDINGS LIMITED

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED  
31 DECEMBER 1994**

	Notes	1994	1993
		£m	£m
Exchange adjustment		(0.2)	-
Net interest receivable	2	<u>5.0</u>	<u>-</u>
Profit on ordinary activities before taxation	-	4.8	-
Taxation on profit on ordinary activities	4	<u>(0.5)</u>	<u>-</u>
Retained Profit for the year		<u>4.3</u>	<u>-</u>

The notes on pages 7 to 9 form part of these financial statements.

CARADON NA HOLDINGS LIMITED

**BALANCE SHEET AT 31 DECEMBER 1994**

	Notes	1994 £m	1993 £m
<b>FIXED ASSETS</b>			
Investments	5	78.1	78.1
<b>DEBTORS</b> amounts owed by subsidiary undertakings	6	37.5	-
<b>CREDITORS</b> Amounts falling due after more than one year			
Amounts due to ultimate parent undertaking	7	(110.3)	(78.1)
		<u>5.3</u>	<u>-</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	8	1.0	-
Profit & loss account	9	<u>4.3</u>	<u>-</u>
		<u>5.3</u>	<u>-</u>

The notes on pages 7 to 9 form part of these financial statements.

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



**C K BHOWMIK**  
DIRECTOR

# CARADON NA HOLDINGS 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 statements:

#### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention.

#### **(b) Foreign currencies**

Trading items are translated into sterling at average rates of exchange for the relevant accounting period. Balance sheet items in foreign currencies are translated into sterling at mid-market rates of exchange at the balance sheet date. All foreign currency gains and losses are taken to the profit and loss account.

### **2. NET INTEREST**

	<b>Year ended 31 December 1994</b>	<b>Year ended 31 December 1993</b>
	<b>£m</b>	<b>£m</b>
Intercompany interest receivable on long term loans	<u>5.0</u>	<u>-</u>

### **3. DIRECTORS' EMOLUMENTS**

Directors emoluments (including pension contributions) amounted to £Nil (1993: £Nil).

### **4. TAXATION**

	<b>Year ended 31 December 1994</b>	<b>Year ended 31 December 1993</b>
	<b>£m</b>	<b>£m</b>
Taxation on the profit for the year		
United Kingdom Corporation Tax at 33.0% (1993: 33.0%)	1.6	-
Group relief received for nil consideration	(1.1)	-
Overseas tax paid	0.5	-
Double Taxation relief	<u>(0.5)</u>	<u>-</u>
	<u>0.5</u>	<u>-</u>



## CARADON NA HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 5. FIXED ASSET INVESTMENTS

Investments in subsidiary undertakings:

The Company's direct subsidiary undertakings, all of which are wholly owned, are as follows:

Name	Country of incorporation/ Registration	Nature of Activity
Caradon USA Holdings Ltd	England and Wales	Holding Company
Caradon Investments Canada Inc.	Canada	Holding Company

The issued share capital of each subsidiary undertaking is in ordinary shares and is held 100% by Caradon NA Holdings Limited.

In the opinion of the Directors, the aggregate value of the company's investment in and advances to its subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

The company is a wholly owned subsidiary of Caradon plc, a company registered in England & Wales, and thus under Section 228 of the Companies Act 1985 is exempt from producing group financial statements.

#### 6 DEBTORS

	1994 £m	1993 £m
Amounts owed by subsidiary undertakings	<u>37.5</u>	<u>-</u>

Amounts owed earn interest at market rates which are re-set quarterly.

#### 7. CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	1994 £m	1993 £m
Amounts owed to ultimate parent undertaking	110.3	78.1

Amounts owed are interest free with no specific term of repayment.

# CARADON NA HOLDINGS LIMITED

## 8. CALLED UP SHARE CAPITAL

	1994 £	1993 £
<b>Authorised</b>		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>100</u>
<b>Allotted, Issued up and fully paid:</b>		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>2</u>

## 9. RESERVES

	Profit & loss account £m
Balance at 1 January 1994	-
Retained profit during the year	<u>4.3</u>
Balance at 31 December 1994	<u>4.3</u>

## 10. ULTIMATE PARENT COMPANY

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