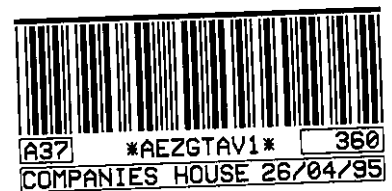


Company Registration No. 2731691

**CHG OVERSEAS LIMITED**

**Financial Statements 1994**



FINANCIAL STATEMENTS 1994

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**FINANCIAL STATEMENTS 1994**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

P G Billington (Chairman)  
D R Evans  
B P Berlanny

**SECRETARY**

S E F Vine

**REGISTERED OFFICE**

1590 Parkway  
Whiteley  
Fareham  
Hampshire  
PO15 7AG

**BANKERS**

National Westminster Bank Plc

**SOLICITORS**

Thomas Eggar Verrall Bowles

**AUDITORS**

Touche Ross & Co.  
Chartered Accountants

## CHG OVERSEAS LIMITED

### DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 1994.

### PRINCIPAL ACTIVITIES

The company's principal activity is to act as the holding company for overseas subsidiaries. CHG Overseas Limited is a wholly owned subsidiary undertaking of Chemring Group PLC.

### PROFIT AND DIVIDENDS

The directors do not recommend payment of a dividend. Neither a profit or loss has been made in the year.

### DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1.

Mr P G Billington, Mr B P Berlanny and Mr D R Evans are also directors of Chemring Group PLC. Their interests in the shares and share options of the parent company and their remuneration are dealt with in that company's accounts.

### CLOSE COMPANY PROVISIONS

So far as the directors are aware, the company is not a close company for taxation purposes.

### AUDITORS

A resolution to re-appoint Touche Ross & Co as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
on 14 December 1994

Signed on behalf of the Board

*S. E. F. Vine*

S E F Vine

Secretary

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of CHG Overseas Limited as at the end of the financial year and of the profit or loss for that period. It is also the directors' responsibility to maintain adequate accounting records which disclose with reasonable accuracy the financial position of CHG Overseas Limited, safeguard the assets, and prevent and detect fraud and other irregularities, and prepare the financial statements on a going concern basis.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements, and that applicable accounting standards have been followed.

Signed on behalf of the Board

S. E. F. Vine

S E F Vine

Secretary

14 December 1994

CHG OVERSEAS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 7 which have been prepared under the accounting policies set out on page 6.

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 30 September 1994 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Touche Ross & Co.*  
Touche Ross & Co.

Chartered Accountants and  
Registered Auditors  
Southampton  
14 December 1994


CHG OVERSEAS LIMITED

**BALANCE SHEET**  
As at 30 September 1994

	Note	1994 £	1993 £
<b>FIXED ASSETS</b>			
Investments	3	3,695,516	1,959,790
<b>CURRENT ASSETS</b>			
Debtors	4	1,000	1,000
<b>CREDITORS -</b>			
Amounts falling due within one year	5	(3,695,516)	(1,959,790)
<b>NET CURRENT LIABILITIES</b>		(3,694,516)	(1,958,790)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,000</u>	<u>1,000</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	<u>1,000</u>	<u>1,000</u>

These financial statements were approved by the Board of Directors on 14 December 1994.

Signed on behalf of the Board

  
B P Berlanny  
Director

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 September 1994**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting Convention**

The financial statements are prepared under the historical cost convention.

**Investments**

Investments are stated at cost less provisions for permanent diminution in value.

**Statement of total recognised gains and losses.**

No statement has been prepared as there are no recognised gains or losses in the year.

**2. DIRECTORS' EMOLUMENTS AND INTERESTS**

No directors received any emoluments in the year (1993: £Nil). With the exception of the directors and the company secretary, there were no other persons employed by the company during the year.

Mr P G Billington, Mr D R Evans and Mr B P Berlanny are directors of the parent company and their emoluments are dealt with in that company's financial statements.

**3. INVESTMENTS - COST**

	Investment in subsidiary undertakings
	£
At 1 October 1993	1,959,790
Additions	1,835,726
Intergroup transfers	(100,000)
	<hr/>
At 30 September 1994	3,695,516
	<hr/>



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 September 1994**

Subsidiary Undertakings	County of Incorporation	Principal Activity	Percentage of nominal value of issued ordinary shares
CHG Group Inc.	United States of America	Holding company	100%
Pains Wessex (Australia) Pty Ltd	Australia	Manufacture of Pyrotechnics	100%
Hutchwilco Ltd	New Zealand	Manufacture of Marine Products	100%

In the opinion of the directors, the value of the company's interests in its subsidiary undertakings is not less than the amount at which they are stated in the Balance Sheet.

Group accounts are not prepared since the company is a wholly owned subsidiary of another company incorporated in England.

**4. DEBTORS**

	1994 £	1993 £
Amounts owed by parent company	1,000	1,000

**5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1994 £	1993 £
Amounts owed to parent company	3,695,516	1,959,790

**6. CALLED UP SHARE CAPITAL**

	1994 £	1993 £
Authorised, allotted and fully paid 1,000 ordinary shares of £1 each	1,000	1,000

**7. ULTIMATE PARENT COMPANY**

In the opinion of the directors, the company's ultimate parent company is Chemring Group PLC, a company registered in England and Wales. Copies of the group financial statements of Chemring Group PLC are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

**8. CASH FLOW STATEMENT**

The company is a wholly owned subsidiary undertaking and therefore no cash flow statement has been prepared.

**NOTICE AND AGENDA OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the third Annual General Meeting of the shareholders will be held at 13.35 hours on Wednesday 1 February 1995 at the Registered Office of the company, 1590 Parkway, Whiteley, Fareham, Hampshire, PO15 7AG for the following purposes:-

1. To receive and adopt the financial statements for the year ended 30 September 1994 together with the reports of the directors and auditors thereon.
2. To re-appoint the auditors and to authorise the directors to fix their remuneration.

By order of the Board

*S. E. F. Vine*  
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**S E F Vine**  
**Secretary**

1590 Parkway  
Whiteley  
Fareham  
Hampshire  
PO15 7AG

14 December 1994