

**SPARKLEGLLEN LIMITED**

**Report and Financial Statements**

**31 December 1996**



**REPORT AND FINANCIAL STATEMENTS 1996**

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**NOTICE OF MEETING**

Notice is hereby given that the Annual General Meeting of the members of Sparkleglen Limited will be held at Farris House, Cowgrove, Wimborne, Dorset at 8.30 a.m. on 18 July 1997 to transact the following business:

1. To receive and approve the report of the directors and the audited financial statements for the period ended 31 December 1996.
2. To elect Mr D H Clark as a director of the company.
3. To elect Mr P E Green as a director of the company.
4. To reappoint Messrs Deloitte & Touche as auditors of the company and to authorise the directors to fix the auditors' remuneration.
5. To transact the other business of an Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to be 'D H Clark', written over the printed name.

D H Clark  
Secretary

**REPORT AND FINANCIAL STATEMENTS 1996**

**OFFICERS AND COMPANY INFORMATION**

**DIRECTORS**

D H Clark  
P E Green

**SECRETARY**

D H Clark

**REGISTERED OFFICE**

Farrs House  
Cowgrove  
Wimborne  
Dorset  
BH21 4EL

**AUDITORS**

Deloitte & Touche  
Queen Anne House  
69-71 Queen Square  
Bristol  
BS1 4JP

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the period ended 31 December 1996.

**INCORPORATION**

The company was incorporated on 17 October 1995.

**ACTIVITY**

The principal activity of the company, which is an investment company, is the granting of loans to other companies within the Meggitt Group.

**REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

Details of the company's performance are given in the profit and loss account on page 7 and the notes on page 9. The position of the company at the end of the year is set out in the balance sheet on page 8 and the notes on pages 9 and 10.

The directors are considering the future of the company.

**DIVIDENDS**

The directors do not recommend the payment of a dividend.

**DIRECTORS AND THEIR INTERESTS**

Mr M E Richards and Mr P J Charlton were appointed as directors on incorporation. They subsequently resigned and were replaced by Mr P E Green and Mr D H Clark on 21 December 1995. Mr P E Green and Mr D H Clark were appointed to hold office until the next Annual General Meeting. Accordingly they resign and being eligible offer themselves for election.

The interests of the directors in office at the period end in the shares of the company at 31 December 1996 and throughout the period since incorporation, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were nil. At 31 December 1996 all shares were owned by Meggitt Properties PLC. Interests of directors in the shares of the ultimate holding company Meggitt PLC were as follows:

**Meggitt PLC Ordinary 5 pence shares**

	Ordinary share options (i)		Ordinary share options (ii)		Ordinary share options (iii)		Ordinary shares fully paid	
	31.12.96	21.12.95	31.12.96	21.12.95	31.12.96	21.12.95	31.12.96	21.12.95
D H Clark	26,244	26,244	25,000	-	7,274	8,906	17,638	15,404
P E Green	30,000	30,000	119,402	-	4,798	4,798	1,315	-

- (i) Options granted under the terms of the Meggitt PLC 1984 Share Option Scheme.
- (ii) Options granted under the terms of the Meggitt 1996 No 2 Executive Share Option Scheme.
- (iii) Options granted under the terms of the Meggitt PLC Savings Related Share Option Scheme.

In addition an award was made during the period to Mr P E Green of 15,435 Ordinary 5 pence shares in Meggitt PLC under the terms of the Meggitt Restricted Share Scheme.

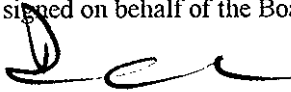
Further details of the Meggitt PLC Share Option Schemes are given in the accounts of that company.

**DIRECTORS' REPORT**

**AUDITORS**

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'D H Clark', written over a horizontal line.

D H Clark  
Secretary

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law 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 that period. 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;
- 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. 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.

## **SPARKLEGLLEN LIMITED**

### **AUDITORS' REPORT TO THE MEMBERS**

We have audited the financial statements on pages 7 to 10 which have been prepared under the accounting policies on page 9.

#### **Respective responsibilities of directors and auditors**

As described on page 5 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 1996 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche 14 July 1997*

DELOITTE & TOUCHE  
Chartered Accountants and  
Registered Auditors  
Queen Anne House  
69-71 Queen Square  
Bristol BS1 4JP



**PROFIT AND LOSS ACCOUNT**

Period ended 31 December 1996

	Note	Period ended 31 December 1996 £'000
Exchange gain		1,055
Interest receivable – group interest		1,169
Interest payable – group interest		(1,274)
<b>OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>950</b>
Tax credit on profit on ordinary activities	3	26
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>976</b>
Profit and loss account brought forward		-
<b>Profit and loss account carried forward</b>		<b>976</b>

The company has no recognised gains and losses other than the profit for the financial period. Accordingly no statement of total recognised gains and losses has been prepared. There have been no movements in shareholders' funds other than the retained profit for the period and the issue of shares on formation and accordingly no reconciliation of movements in shareholders' funds is included in these financial statements.

The company's operations are continuing.

**BALANCE SHEET**  
**31 December 1996**

	Note	1996 £'000
<b>CURRENT ASSETS</b>		
Debtors	4	976
		<hr/>
<b>NET CURRENT ASSETS</b>		976
		<hr/>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	5	-
Profit and loss account		976
		<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		976
		<hr/>

These financial statements were approved by the Board of Directors on 24 April 1997.

Signed on behalf of the Board of Directors



P E Green  
 Director

**NOTES TO THE ACCOUNTS**  
**Period ended 31 December 1996**

**1. ACCOUNTING POLICIES**

The financial statements are 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.

**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. Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the exchange rates ruling at the balance sheet date. All differences are dealt with through the profit and loss account.

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The company paid no directors' emoluments during the financial year. All of the directors are employees of Meggitt PLC and are remunerated by that company for their services to the group as a whole.

The company had no employees during the financial year.

**3. TAX CREDIT ON PROFIT ON ORDINARY ACTIVITIES**

	Period ended 31 December 1996 £'000
United Kingdom corporation tax at 33% based on the profit for the for the period	26
The tax charge is disproportionately low since the foreign exchange gain is tax-free under the rules for the taxation of foreign exchange differences.	

**4. DEBTORS**

	1996 £'000
UK corporation tax recoverable	26
Amounts due from group companies	950
	<hr/> 976 <hr/>

**NOTES TO THE ACCOUNTS**  
**Period ended 31 December 1996**

**5. CALLED UP SHARE CAPITAL**

	1996 £'000
Authorised 1,000,000 Ordinary shares of £1 each	1,000
Called up, allotted and and fully paid 100 Ordinary shares of £1 each	-

100 Ordinary shares were issued in the company at formation.

**6. CASH FLOW STATEMENT**

As a wholly owned subsidiary of a UK registered company, Sparkleglen Limited has taken advantage of the exemption from the requirement to produce a cash flow statement. A consolidated cash flow statement is included in the Meggitt PLC group accounts.

**7. ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of Meggitt Properties PLC. The company's ultimate parent company is Meggitt PLC, a company registered in England and Wales. Copies of the group financial statements of Meggitt PLC are available from Meggitt PLC, Farris House, Cowgrove, Wimborne, Dorset BH21 4EL.

The company has taken advantage of the exemption contained in Financial Reporting Standard No 8 from the requirement to disclose related party transactions within the group.