

ASH & LACY OVERSEAS (HOLDINGS) LIMITED
(formerly ASHINVEST LIMITED)

COMPANY NUMBER 3134804

A WHOLLY OWNED SUBSIDIARY OF

ASH & LACY plc

FINANCIAL STATEMENTS

27 DECEMBER 1996



ASH & LACY OVERSEAS (HOLDINGS) LIMITED
A WHOLLY OWNED SUBSIDIARY OF ASH & LACY plc

REPORT OF THE DIRECTORS

For the period ended 27 DECEMBER 1996

The Directors present their report together with Financial Statements for the period from incorporation, 6 December 1995, through to 27 December 1996.

PRINCIPAL ACTIVITIES

The company was incorporated on 6 December 1995 as Ashinvest Limited. The Company's name was changed by Special Resolution to Ash & Lacy Overseas (Holdings) Limited on 21 December 1995.

The principal activity of the company is that of an intermediate holding company.

RESULTS AND DIVIDENDS

The results for the period is set out in the Profit and Loss Account on page 5. The directors do not recommend the payment of a dividend. Details of the proposed transfer to reserves are given on page 5.

DIRECTORS

The directors of the company during the year were:

H C Marshall Chairman
C J Burr
M R Winwood

The first director appointed on incorporation was Mr M R Winwood who resigned on 22 December 1995.

Mr H C Marshall and Mr C J Burr were appointed directors on 22 December 1995.

The directors had no interest of the shares of the company. Their interests in the shares of the ultimate parent company are shown in that company's accounts.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 and of the profit or loss for that period. In preparing the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- state whether applicable accounting standards have been followed.

The directors are responsible for maintaining adequate accounting records so as to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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REPORT OF THE DIRECTORS

For the period ended 27 DECEMBER 1996

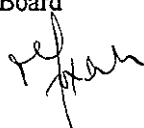
AUDITORS

On 22 December 1995 Price Waterhouse were appointed by the directors as the company's first auditors.

A resolution in respect of which special notice has been given to the company in accordance with the provisions of Section 388 (3) (b) of the Companies Act 1985 will be proposed at the Annual General Meeting to re-appoint Price Waterhouse as auditors and to authorise the directors to fix their remuneration.

By order of the Board

R Foxall
Secretary



25 March 1997

ASH & LACY OVERSEAS (HOLDINGS) LIMITED
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REPORT OF THE AUDITORS

To the members of Ash & Lacy Overseas (Holdings) Limited

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

Respective responsibilities of directors and auditors

As set out on page 2, the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 27 December 1996 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants and Registered Auditors
Cornwall Court
19 Cornwall Street
Birmingham B3 2DT

25 March 1997

ASH & LACY OVERSEAS (HOLDINGS) LIMITED
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PROFIT AND LOSS ACCOUNT

For the period ended 27 DECEMBER 1996

	Notes	6 December 1995 to 27 December 1996 £000
Intra group interest receivable		260
Interest payable	3	<u>(192)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		68
Taxation	4	<u>(22)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION TRANSFERRED TO RESERVES		<u>46</u>

STATEMENT OF RECOGNISED GAINS AND LOSSES

Profit for the financial year	46
Currency translation differences on foreign currency net investments	<u>(291)</u>
Total recognised gains and losses for year	<u>(245)</u>

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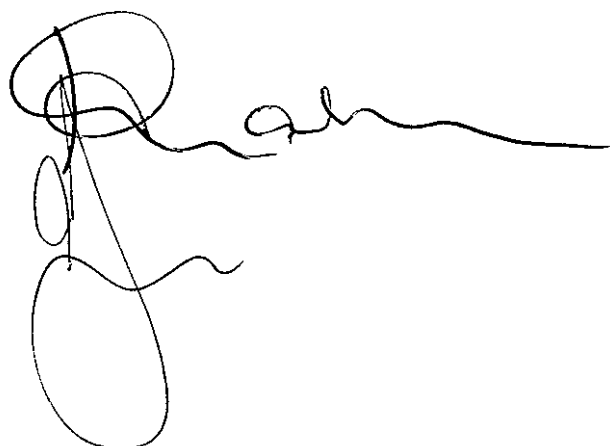
BALANCE SHEET
at 27 December 1996

	Notes	1996 £000
FIXED ASSETS		
Investments	6	<u>5,730</u>
CURRENT ASSETS		
Debtors due within one year	7	4,645
CREDITORS DUE WITHIN ONE YEAR	8	<u>(4,009)</u>
NET CURRENT (LIABILITIES) /ASSETS		<u>636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,366</u>
CAPITAL AND RESERVES		
Called up share capital	9	1
Share premium	10	6,610
Profit and Loss account	10	<u>(245)</u>
EQUITY SHAREHOLDERS' FUNDS	11	<u>6,366</u>

Approved by the Board on 25 March 1997

H C Marshall
Director

C J Burr
Director



ASH & LACY OVERSEAS (HOLDINGS) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the period ended 27 DECEMBER 1996

1 GROUP ACCOUNTS

The Company is exempt under Section 228 of The Companies Act 1985 from preparing group accounts as a consequence of its inclusion in the group accounts of its ultimate parent undertaking (see note 14). These accounts therefore present information about the individual company rather than the Ash & Lacy Overseas (Holdings) Limited group as a whole.

2 ACCOUNTING POLICIES

Basis of accounting

The accounts are prepared in accordance with applicable accounting standards and under the historical cost convention.

Investments

Investments in the shares of subsidiary undertakings are stated at cost. The investments are foreign currency denominated and are retranslated each year at the closing exchange rate. The exchange difference is credited/charged to reserves.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

The exchange difference on the foreign currency denominated loan taken out to hedge the investment in the shares of subsidiary undertakings is credited/charged to reserves. Interest on the loan is translated at the average exchange rate for the period.

Deferred Taxation

Provision is made for deferred taxation under the liability method on timing differences where there is a reasonable probability that a liability will crystallise in the foreseeable future.

3	INTEREST PAYABLE	1996
		£000
	Bank loans and overdrafts	192
4	TAXATION	1996
		£000
	Corporation tax at 33%	22

There is no potential deferred tax liability as at 27 December 1996

5 DIRECTORS AND EMPLOYEES

The only employees of the company were the directors and the secretary, to whom no remuneration was paid. Messrs Marshall and Burr are directors of the ultimate parent company, Ash & Lacy plc. Their emoluments are fully disclosed in the accounts of that company.

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 DECEMBER 1996

6	FIXED ASSET INVESTMENTS	Shares in subsidiaries £000
	Cost:	
	At 6 December 1995	-
	Additions	6,611
	Currency adjustment	<u>(881)</u>
	At 27 December 1996	<u>5,730</u>
	Provisions made:	
	At 6 December 1995 and 27 December 1996	<u>-</u>
	Net book values:	
	At 27 December 1996	5,730
	At 6 December 1995	<u>-</u>

The subsidiary undertakings are as follows:

Joseph Ash S.A.
Société Nantaise de Galvanisation S.A.
Galvanisation du Cambrésis S.A.
Galvanisation de l'Artois S.A.

The company owns 100% of the issued share capital and voting rights of these undertakings through Joseph Ash S.A. The undertakings operate as galvanizers in France.

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the aggregate amount at which they are stated in the balance sheet.

7	DEBTORS DUE WITHIN ONE YEAR	1996 £000
	Amounts due from ultimate parent company	<u>4,645</u>
8	CREDITORS DUE WITHIN ONE YEAR	1996 £000
	Bank loans and overdrafts	3,844
	Accruals and deferred income	143
	Corporation tax	<u>22</u>
		<u>4,009</u>
9	CALLED UP SHARE CAPITAL	1996 £000
	Authorised:	
	10,000 ordinary shares of £1 each	<u>10</u>
	Allotted and fully paid:	
	1,000 ordinary shares of £1 each	<u>1</u>

On 27 February 1996 Ash & Lacy plc was allotted 999 new ordinary shares of £1 in consideration for the shares of Joseph Ash S.A. The share premium arising on the issue of these shares was £6,610,000.