

## **Danks Holdings Limited**

### Directors' Report and Financial Statements

For the year ended 31 March 1996

Registered number: 328871



# BINDER HAMLYN

## Directors' report

For the year ended 31 December 1996

### Financial Statements

The directors present their report and financial statements for the year ended 31 March 1996.

### 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 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 judgments 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; and
- 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 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.

### Principal activities and review of the business

The principal activity of the company is to act as an intermediate holding company.

### Results and dividends

The profit for the year amounted to £22,000 and has been transferred to reserves. The directors do not recommend payment of a dividend.

### Directors

The directors during the year were as follows:

R G Beeston

E J Bowers

N Bamford

D K Bird (resigned on 31 July 1995)

A G Cooper (resigned on 29 December 1995)

J R Jones

W A North

J D Pelczer

## Directors' report (continued)

### Directors' interests in shares

No director had any beneficial interest in the shares of the company at 31 March 1996 or 31 March 1995.

Messrs R G Beeston and E J Bowers are also directors of the ultimate parent company, and their interest in the shares of that company are disclosed in that company's financial statements.

At 31 March 1996 Mr N Bamford and his family had a beneficial interest in 15,000 (1995 - 20,000) shares of the ultimate parent company.

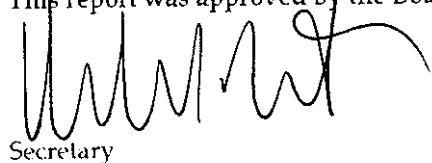
Other directors held the following interests in the shares of the ultimate parent company. The options held are under the FKI 1989 Executive Share Option Scheme and the FKI 1989 (Approved) Executive Share Option Scheme.

	Share options	
	1996	1995
N Bamford	196,300	146,300
D K Bird	-	15,000
A G Cooper	-	125,000
J R Jones	200,000	300,000
W A North	35,000	25,000
J D Pelczer	15,000	40,000

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 9 July 1996.



Secretary

## Auditors' report

# BINDER HAMLYN

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Andersen Worldwide

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St Paul's House  
Park Square  
Leeds LS1 2PJ

To the members of Danks Holdings Limited

We have audited the financial statements on pages 4 to 8 which have been prepared on the basis of the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

As described on page 1 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.

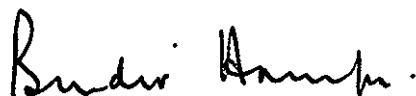
### Basis of opinion

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 judgments 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 affairs of the company as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors

St Paul's House  
Park Square  
Leeds  
LS1 2PJ

9 July 1996

## Profit and loss account

For the year ended 31 March 1996

	Notes	1996 £ £000	1995 £ £000
Administrative expenses		(10)	-
Interest receivable and similar income	2	157	154
<b>Profit on ordinary activities before taxation</b>		<b>147</b>	<b>154</b>
Tax on profit on ordinary activities	3	(125)	(50)
<b>Retained profit for the financial year</b>	8	<b>22</b>	<b>104</b>

## Statement of total recognised gains and losses

There were no recognised gains and losses other than the profit for the year.

# Balance sheet

31 March 1996

		1996 £ £000	1995 £ £000
<b>Fixed assets</b>			
Investments	4	<u>1,751</u>	<u>1,751</u>
<b>Current assets</b>			
Debtors	5	<u>2,687</u>	<u>2,530</u>
Creditors: amounts falling due within one year	6	<u>(228)</u>	<u>(93)</u>
<b>Net current assets</b>		<u>2,459</u>	<u>2,437</u>
<b>Net assets</b>		<u>4,210</u>	<u>4,188</u>
<b>Capital and reserves</b>			
Called up share capital	7	410	410
Share premium account	8	1,448	1,448
Profit and loss account	8	<u>2,352</u>	<u>2,330</u>
<b>Equity shareholders' funds</b>		<u>4,210</u>	<u>4,188</u>

The financial statements on page 4 to 8 were approved by the Board on 9 July 1996.



Director

## Notes to the financial statements

### 1 Accounting policies

#### *a) Accounting convention*

The financial statements are prepared under the historical cost convention.

#### *b) Investments*

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

#### *c) Compliance with accounting standards*

The financial statements have been prepared in accordance with applicable accounting standards.

#### *d) Group accounts*

The company has not prepared group financial statements as it is exempt from the requirement to do so by Section 228 of the Companies Act 1985 as it is a subsidiary undertaking of FKI plc, a company incorporated in Great Britain and registered in England and Wales, and is included in the consolidated financial statements of that company.

### 2 Interest receivable and similar income

	1996 £000	1995 £000
From fellow subsidiary undertakings	<u>157</u>	<u>154</u>

### 3 Tax on profit on ordinary activities

	1996 £000	1995 £000
UK current year taxation		
Corporation tax at 25%	49	50
Prior year adjustment		
Corporation tax	<u>76</u>	<u>-</u>
	<u>125</u>	<u>50</u>

## Notes to the financial statements (continued)

### 4 Fixed asset investments

£000

#### Investment in subsidiary undertaking

##### Cost and net book value

1 April 1995 and 31 March 1996

1,751

The subsidiary undertaking at 31 March 1996 is as follows:

Name	Country of incorporation	Class of Share	%
Bristol Babcock SA	France	Ordinary	100

The principal activity of Bristol Babcock SA is the manufacturing of small process control systems and electronic components.

In the opinion of the directors the aggregate value of the company's investment in the subsidiary undertaking is not less than the amount included in the balance sheet.

### 5 Debtors

	1996 £000	1995 £000
Amounts owed by fellow subsidiary undertakings	2,627	2,470
Other debtors	60	60
	<u>2,687</u>	<u>2,530</u>

### 6 Creditors: amounts falling due within one year

	1996 £000	1995 £000
Amounts owed to fellow subsidiary undertakings	179	43
Corporation tax	49	50
	<u>228</u>	<u>93</u>



## Notes to the financial statements (continued)

### 7 Called up share capital

	Number	£000
Authorised, allotted and fully paid £1 Ordinary shares		
1 April 1995 and 31 March 1996	<u>410,000</u>	<u>410,000</u>

### 8 Reserves

	Share premium account	Profit and loss account
	£	£
1 April 1995	1,448	2,330
Retained profit for the financial year	-	22
31 March 1996	<u>1,448</u>	<u>2,352</u>

### 9 Reconciliation of movements in shareholder's funds

	1996 £000	1995 £000
Profit for the financial year	22	104
Opening shareholders' funds	<u>4,188</u>	<u>4,084</u>
	<u>4,210</u>	<u>4,188</u>

### 10 Directors

None of the directors received any emoluments from the company during the year (1995 - nil).

### 11 Ultimate parent company

The directors regard FKI plc, a company incorporated in Great Britain and registered in England and Wales, as the company's ultimate parent company.

FKI Industries Inc, a company incorporated in the USA, is the parent undertaking of the smallest group of which Danks Holdings Limited is a member and for which group accounts are drawn up.

FKI plc is the parent undertaking of the largest group of which Danks Holdings Limited is a member and for which group accounts are drawn up. Copies of these group accounts have been delivered to, and are available from, The Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, DF4 3UZ.