

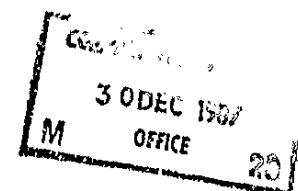
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NORCROS INDUSTRY (EEC) LIMITED

FINANCIAL STATEMENTS

31ST MARCH 1987



NORCROS INDUSTRY (PTE) LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 1987

1. Principal Activities

The principal activity of the Company throughout the year has been to act as a management and holding company primarily in relation to other Group subsidiary operating companies in the UK : it is intended that the Company will continue in this role.

2. Results and Dividends

The profit for the year after taxation and extraordinary items amounted to £7,452,000.

It is recommended that this amount be dealt with as follows:

	£
Profit for year after taxation	7,452,000
Transfer from Reserves	5,446,000
	<hr/>
Ordinary Dividends	12,898,000
	<hr/>

3. Directors

The following members of the Board held office throughout the year:

Mr. M.J.C. Derbyshire
Mr. W.P.N. Graham
Mr. J. Matthews
Mr. T.C.F. Simpson
Mr. D. Smith
Mr. R.J.L. Watson

Mr. P.J. Jordan was appointed a Director of the Company on 23rd October 1986.

Mr. J.E. Hopkins was appointed a Director of the Company on 23rd June 1986 and resigned on 31st December 1986.

Mr. T.C.F. Simpson and Mr. D. Smith are also Directors of Norcros p.l.c. and their interests in the shares and debenture stock of Norcros p.l.c. are shown in the Directors' report of that company.

According to the register kept by the Company the only interests of the other directors in the shares of the Company and of the shares and debenture stock of Norcros p.l.c. at 31st March 1986 (or at date of appointment) and 1987 and in the Norcros Group's Share Option Schemes at 31st March 1987 were as follows:

	<u>Ordinary Shares</u>		<u>SAYE+</u>	<u>Executive Scheme</u>	
	<u>1987</u>	<u>1986</u>		<u>1982*</u>	<u>1985**</u>
M.J.C. Derbyshire	-	-	-	-	80,000
W.P.N. Graham	731	731	4,897	-	40,000
P.J. Jordan	-	-	-	35,400	45,000
J. Matthews	1,500	-	-	-	40,000
R.J.L. Watson	2,813	2,813	3,979	-	40,000

* Shares represented by an option to purchase acquired under the terms of the Norcros p.l.c. 1982 Executive Share Option Scheme at a price of 120p per share exercisable between June 1986 and June 1990.

** Shares represented by an option to purchase acquired under the terms of the Norcros p.l.c. 1985 Executive Share Option Scheme at prices ranging from 184p to 269p per ordinary share exercisable between October 1988 and June 1996.

+ Shares represented by options to purchase acquired under the terms of the Norcros p.l.c. Savings Related Share Option Scheme at a price of 98p per share exercisable between October 1988 and June 1992.

Except for the above none of the Directors has a disclosable interest in the shares or debenture stock of any company in the Norcros Group.

Save in respect of the Norcros p.l.c. Savings Related Share Option Scheme and the Norcros p.l.c. Executive Share Option Schemes, no arrangements to which the Company was party subsisted at the end of the year or at any time in the year to enable the Directors to acquire any interest by the acquisition of shares or debentures of the Company or of any other body corporate.

None of the Directors had a beneficial interest in any significant contract to which the Company either directly or indirectly was a party during the year.

4. Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

By Order of the Board


J.M. Wilson
Secretary

Highlands,
Spencers Wood,
Reading, Berkshire.

29th June 1987

REPORT OF THE AUDITORS TO THE MEMBERS OF
NORCROS INDUSTRY (EEC) LIMITED

We have audited the financial statements on pages 5 to 14 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31st March 1987 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

Deloitte Haskins & Sells

Deloitte Haskins and Sells
Chartered Accountants
Reading

29th June 1987

NORCROS INDUSTRY (EEC) LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31ST MARCH 1987

	Notes	1987 £'000	1986 £'000
Operating Profit		-	-
Investment Income	2	11,790 -----	9,962 -----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		11,790	9,962
Taxation	3	(201) -----	(833) -----
Profit on Ordinary Activities after Taxation		11,589	9,129
Extraordinary Items	4	(4,137) -----	- -----
		7,452	9,129
Dividends		12,898 -----	9,292 -----
TRANSFER FROM RESERVES		(5,446) =====	(163) =====

NORCROS INDUSTRY (EEC) LIMITED

BALANCE SHEET

AT 31ST MARCH 1987

	NOTES	1987 £'000	1986 £'000
FIXED ASSETS			
Investments	5	74,360 -----	68,545 -----
CURRENT ASSETS			
Debtors	6	11,191	7,187
CURRENT LIABILITIES			
Creditors : Amounts falling due within one year	7	(12,000) -----	(7,350) -----
NET CURRENT LIABILITIES		(809) -----	(163) -----
TOTAL ASSETS LESS CURRENT LIABILITIES		73,551 =====	68,382 =====
Financed by:-			
CREDITORS : Amounts falling due after more than one year	7	63,722	59,768
Called up Share Capital	8	2,250	2,250
Revaluation Reserve	9	6,591	(25)
Profit and Loss Account	9	988	6,389
		73,551 =====	68,382 =====

The accounts on pages 5 to 14 were approved by the Board of Directors on 29th June 1987 and signed on their behalf by:

T.C.F. Simpson)
 7/5/87)
 P. Smith)

Directors

NOFCBOC INDUSTRY (EE7) LIMITED

STATEMENT OF SOURCE AND AFFLICATION OF FUNDS
FOR THE YEAR ENDED 31ST MARCH 1987

	1987 £'000	1986 £'000
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	11,790	9,962
Extraordinary Items	(4,137)	-
	7,653	9,962
Loss on sale of subsidiary	93	193
Proceeds on sale/transfer of investment	447	7,488
TOTAL SOURCE OF FUNDS	8,193	17,643
AFFLICATION OF FUNDS		
Increase/(Decrease) in Working Capital:-		
Increase/(Decrease) in Debtors	4,004	(2,961)
	4,004	(2,961)
Tax paid	201	833
Dividend paid	8,248	12,482
Transfer of investment in subsidiary company	-	22
Net movement in subsidiary loans	(305)	(3,320)
TOTAL AFFLICATION OF FUNDS	12,147	7,056
NET (OUTFLOW)/INFLOW OF FUNDS	(3,954)	10,587
Used for (Provided by):-		
(Increase)/Decrease in Parent Company Loan	(3,954)	10,587

NORCROS INDUSTRY (EEC) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1987

1) STATEMENT OF ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared on the historical cost basis of accounting.

ACCOUNTING REFERENCE DATE

All figures have been made up to 29th March 1987.

DEFERRED TAXATION

Deferred taxation, calculated on the liability method, is only provided in respect of liabilities that are expected to crystallize in the foreseeable future.

OVERSEAS CURRENCIES

Assets and liabilities expressed in foreign currencies are translated into sterling at rates applicable at the year end. Exchange gains and losses of a trading nature are dealt with in arriving at the profit before taxation. Other gains and losses which relate to translation of overseas companies' net assets and currency borrowings are dealt with through reserves.

NEOCROS INDUSTRY (EEC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MARCH 1987

	1987 £'000	1986 £'000
2) INVESTMENT INCOME		
Income from shares in subsidiaries	11,649	7,176
Income from shares in associated companies	141	2,786
	-----	-----
	11,790	9,962
	=====	=====

3) TAXATION

The taxation charge on the profit for the year is comprised as follows:-	1987 £'000	1986 £'000
United Kingdom Corporation Tax:		
On the profit for the year at 35% (1986 - 40%)	-	-
Tax credits attributable to dividends received	201	833
	---	---
	201	833
	===	===

DEFERRED TAXATION

No provision has been made for deferred taxation as no liability is expected to arise or become payable in the foreseeable future. The potential liability for all timing differences at 31st March 1987 amounts to £747,000 (1986-£612,000) comprised as follows:-

	1987 £'000	1986 £'000
Capital Gains	747	612
	===	===

NORCROS INDUSTRY (EEC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MARCH 1987

	1987 £'000	1986 £'000
4) EXTRAORDINARY ITEMS		
Write back dividend A.I.S./Tectonic	44	-
Loss on sale of subsidiary	93	-
Loss on waiver of loan to subsidiary	4,000	-
	-----	-----
	4,137	NIL
	=====	=====

5) FIXED ASSET INVESTMENTS

-----SUBSIDIARIES-----						
Associated Companies	Shares	Loans to Subsid- iaries £'000	Loans from Subsid- iaries £'000	Total Subsid- iaries £'000	Total	
£'000	£'000	£'000	£'000	£'000	£'000	
Cost or valuation						
At 1st April 1986	5,071	9,237	64,027	(9,790)	63,474	68,545
Disposal	-	(169)	(371)	-	(540)	(540)
Valuations	68	6,593	-	-	6,593	6,661
Movements in Year	-	-	(5,936)	5,630	(306)	(306)
	-----	-----	-----	-----	-----	-----
At 31st March 1987	5,139	15,661	57,720	(4,160)	69,221	74,360
	=====	=====	=====	=====	=====	=====

Investment in subsidiaries has been stated at net asset value adjusted for loans to and from those companies, because the Directors consider this more fairly reflects the investment of Norcros Industry (EEC) Limited in its subsidiary companies. If these investments had not been revalued they would have been included at £11,019,000 (1986 - £11,143,000). Associate companies are held at attributable net asset value, their original cost being £3,190,000 (1986-£3,190,000).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Subsidiaries	Group Interest %	Country of Incorporation	Main Activities
Atterley Green Tiles Limited	100	England	Tiles
Architectural Inst. Services Limited	100	England	Non-operational
Butterley Engineering Limited	100	England	Cranes, Materials Handling etc.
Anglian Building Products Limited	100	England	Concrete Units
Autotype International Limited	100	England	Coated Photographic film & paper
Butterley Precision Industries Limited	100	England	Measuring instruments & Iron castings
Cego Limited	100	England	Components, Extrusions & Galvanising
Crittall Tectonic Limited	100	England	Curtain walling
Crittall Warmlife Limited	100	England	Double glazing, windows & greenhouses
Crittall Windows Limited	100	England	Windows
Darley Business Forms Limited	100	England	Printing
Dow Mac Concrete Limited	100	England	Concrete Units
H & R Johnson Tiles Limited	100	England	Tiles
John Smith (Keighley) Limited	100	England	Cranes
Lion Foundry Company Limited	100	England	Non-operational
Lowton Metals Limited	100	England	Metal Proc.
Maw & Company Limited	100	England	Ceramic Tiles & Murals
Norprint International Limited	100	England	Labelling & identification systems
Payne Packaging Limited	100	England	Strapping & Decorative tape
Security Computing Services Limited	100	England	Data Proc.
Temperature Limited	100	England	Air conditioning
Whiteley Bros. (Wholesale) Merchants Limited	100	England	Non-operational
Associates			
DSRM Group PLC	50	England	Steel rolling

NOPECOS INDUSTRY (SEC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MARCH 1987

	1987 £'000	1986 £'000
6) DEBTORS		
Amounts falling due within one year:		
Amounts owed by subsidiaries	11,088	6,687
Amounts owed by associates	103	500
	-----	-----
	11,191	7,187
	=====	=====
7) CREDITORS		
Dividend Payable	12,000	7,350
	=====	=====
Amounts falling due after more than one year		
Loan from immediate holding company	63,722	59,768
	=====	=====

NORCROS INDUSTRY (EEC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MARCH 1987

	1987 £'000	1986 £'000
8) CALLED UP SHARE CAPITAL		
Authorised		
2,500,000 Ordinary Shares of £1 each	2,500 =====	2,500 =====
Allotted, Called up and fully paid		
2,250,000 Ordinary Shares of £1 each	2,250 =====	2,250 =====
9) RESERVES		
	Revaluation Reserve £'000	Profit and Loss Account £'000
At 1st April 1986	(25)	6,389
Surplus arising on revaluation of net assets of subsidiaries and associate companies	6,661	-
Revaluation reserve released on disposal of subsidiary	(45)	45
Loss for the year	- -----	(5,446) -----
	6,591 =====	988 =====

NORCROS INDUSTRY (EEC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MARCH 1987

10) CONTINGENT LIABILITIES

There exists a fixed and floating preferential charge over the assets of the company in respect of the principal and interest of the £5,000,000 15.75 Debenture Stock 1990/1995 issued by the Company's ultimate holding company.

11) ULTIMATE HOLDING COMPANY

The Company's ultimate holding companies is Norcross p.l.c., a company incorporated in Great Britain.

12) GROUP ACCOUNTS

The Company is a wholly owned subsidiary of Norcross p.l.c., and group accounts are not required.