

BOY BRUMMEL LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1996

Company Registration No: 387728



DIRECTORS' REPORT

The Directors submit their report and accounts for the year ended 31 December 1996.

REVIEW OF BUSINESS

The company is and will remain a holding company.

DIRECTORS AND THEIR INTERESTS

The directors who have served during the year were:

<u>Name</u>	<u>Shares in William Baird PLC</u>			
	<u>Beginning</u>	<u>Options</u>	<u>End</u>	<u>Options</u>
K.C. Scates	-	6374	-	6374
J.N. Edgar	-	6174	-	6174
P.A. Scates	-	6174	-	6174
P. McDonald	-	13154	-	13154
A. Chadwick	Appointed 04.03.97 4800	47197	4800	47197
P.M. Alsop	Appointed 04.03.97 5572	44454	5572	44454

Options have been granted under the Executive Share Option Scheme and the Savings Related Share Option Scheme to purchase ordinary shares at prices of 158p to 257p between 1997 and 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit of the company for that period. In preparing those accounts, 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, subject to any material departures being disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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.

AUDITORS

Ernst and Young, the auditors appointed by the directors, have expressed their willingness to continue in office and a resolution proposing their re-appointment as auditors will be submitted at the annual general meeting.

ON BEHALF OF THE BOARD

Registered Office:

Banner House
Greg Street
Reddish
Stockport
Cheshire SK5 7BT



DIRECTOR
21 April 1997

REPORT OF THE AUDITORS TO THE MEMBERS OF
BOY BRUMMEL LIMITED

We have audited the accounts on pages 3 and 4 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 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 31 December 1996 and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON

Date:

11 July 1997

BALANCE SHEET AT 31 DECEMBER 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
<u>FIXED ASSETS</u>			
Investments	2	11,228	11,228
<u>CREDITORS</u> - Amounts owed to group undertaking		(9,728)	(9,728)
		<u>£1,500</u>	<u>£1,500</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	3	£ 1500	£1500

A Rhodmet
PMA₂₇

DIRECTORS

21 April 1997

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1996

1. Accounting Policies

The accounts have been prepared in accordance with applicable accounting standards, the Companies Act 1985 and under the historical cost convention.

2. Investments

	<u>1996</u>	<u>1995</u>
Loan to parent company, interest free and not repayable within one year	1,500	1,500
Investment in associated undertaking	9,728	9,728
	<hr/>	<hr/>
	£11,228	£11,228
	<hr/>	<hr/>

<u>Associated Undertaking</u>	<u>Country of Incorporation</u>	<u>Percentage Owned</u>
Probanimpex SRL	Romania	50%
Carom Trade SRL	Romania	50%

3. Share Capital

	<u>Authorised</u>		<u>Allotted, issued and fully paid</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Ordinary Shares of £1 each	£ 2000	£ 2000	£ 1500	£ 1500
	<hr/>	<hr/>	<hr/>	<hr/>

4. Profit and Loss Account

The company has not traded during the year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

5. Ultimate Parent Undertaking and Controlling Party

The company's ultimate parent undertaking and controlling party is William Baird PLC. The company's results are included in group accounts prepared for Baird Textile Holdings Limited and William Baird PLC.

Both these companies are incorporated in Great Britain and registered in Scotland. Copies of the accounts of both companies can be obtained from 79 Mount Street, London W1Y 5HJ.