

Blake Performance Fabrics Limited

Registered No. 491507

DIRECTORS

J K Hall (Chairman)
P Tait
M J C Derbyshire
M A Ellis
V E Keeley

SECRETARY

J R E Coley

AUDITORS

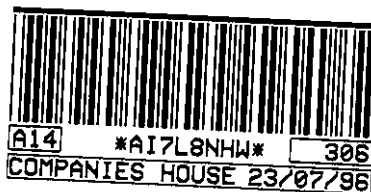
Ernst & Young
Commercial Union House
Albert Square
Manchester
M2 6LP

BANKERS

Barclays Bank PLC
51 Mosley Street
Manchester
M60 2AU

REGISTERED OFFICE

51 Water Lane
Wilmslow
Cheshire
SK9 5BX



Blake Performance Fabrics Limited

DIRECTORS' REPORT

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

RESULTS AND DIVIDENDS

The results of the company for the year are set out in detail on page 7. The directors do not recommend the payment of a dividend.

CHANGE OF NAME

On 22 February 1996 the name of the company was changed from L Blake & Co Limited to Blake Performance Fabrics Limited.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is the manufacture of vinyl coated fabrics.

Sales for the year were £3,462,200 compared with £3,353,680 for the previous year.

Operating loss decreased from £211,047 to £116,990 and the loss before tax was down by £100,732.

FUTURE PROSPECTS

The state of affairs at the year end and the future prospects of the company are satisfactory.

FIXED ASSETS

Changes in fixed assets during the year are set out in note 8 on page 12.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

J K Hall	(Chairman)	
P Tait	(Managing)	(appointed 25 December 1995)
R W S Haynes	(Managing)	(resigned 16 April 1996)
M J C Derbyshire		
M A Ellis		
V E Keeley		
C N Jenkinson	(resigned 9 May 1995)	

No director had any interest in the shares of the company at the beginning or end of the year.

The interests of the directors of the company, other than directors of the parent company, in shares of the parent company or its subsidiaries were nil at 31 March 1996 and 31 March 1995.

The interests of those directors who are also directors of the parent company are disclosed in its Report of the Remuneration Committee.

Blake Performance Fabrics Limited

DIRECTORS' REPORT

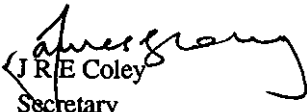
SUPPLIERS

The company agrees terms and conditions for its business transactions with suppliers. Payment is then normally made in line with these terms, subject to the suppliers own adherence to the agreed terms and conditions.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors. In accordance with section 384(1) of the Companies Act 1985 a resolution proposing the re-appointment of Ernst & Young will be submitted at the Annual General Meeting.

By order of the board


J R E Coley
Secretary

31 May 1996

Blake Performance Fabrics Limited

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 or loss 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; 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.

REPORT OF THE AUDITORS
to the members of Blake Performance Fabrics Limited

We have audited the accounts on pages 7 to 15 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 5 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.

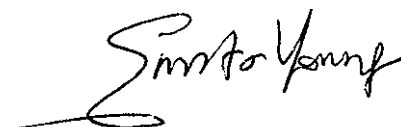
Basis of opinion

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



Chartered Accountants
Registered Auditor
Manchester

31 May 1996

Blake Performance Fabrics Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1996

	Notes	1996 £	1995 £
TURNOVER	2	3,462,200	3,353,680
Cost of sales		3,024,868	2,940,718
Gross profit		437,332	412,962
Distribution costs		88,244	94,203
Administrative expenses		466,078	529,806
OPERATING LOSS	3	(116,990)	(211,047)
Interest payable and similar charges	6	(34,790)	(41,465)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(151,780)	(252,512)
Taxation	7	(49,825)	(89,876)
LOSS FOR THE FINANCIAL YEAR	15	(101,955)	(162,636)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than the loss attributable to the shareholders of the company of £101,955 in the year ended 31 March 1996 and the loss of £162,636 in the year ended 31 March 1995.

Blake Performance Fabrics Limited

BALANCE SHEET

at 31 March 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	8	375,625	408,574
CURRENT ASSETS			
Stocks	9	521,824	518,189
Debtors	10	639,654	683,301
Cash at bank and in hand		176	156
		<u>1,161,654</u>	<u>1,201,646</u>
CREDITORS: amounts falling due within one year	11	<u>904,451</u>	<u>875,437</u>
NET CURRENT ASSETS		<u>257,203</u>	<u>326,209</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>632,828</u>	<u>734,783</u>
CREDITORS: amounts falling due after more than one year	12	<u>600,000</u>	<u>600,000</u>
		<u>32,828</u>	<u>134,783</u>
CAPITAL AND RESERVES			
Called up share capital	14	741,000	741,000
Profit and loss account	15	(708,172)	(606,217)
		<u>32,828</u>	<u>134,783</u>

M A Ellis

Director

31 May 1996

Blake Performance Fabrics Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain plant and machinery and in accordance with applicable accounting standards.

Cash flow statement

The company is a wholly owned subsidiary of Whitecroft plc, which prepares accounts in accordance with the EC Seventh Directive including a group cash flow statement prepared in accordance with FRS1, and as such the company is exempt from the preparation of a cash flow statement.

Stocks

Stocks are consistently valued at the lower of cost and net realisable value, cost being defined as materials plus direct labour and include a proportion of production overheads where appropriate.

Depreciation

Tangible fixed assets are depreciated at rates, on a straight line basis, estimated to write off the cost of each asset over the term of its expected useful lives as follows:

Short leasehold	-	4.7% per annum
Plant and machinery	-	5% to 10% per annum
Motor vehicles	-	20% per annum
Office equipment	-	10% to 25% per annum

Research and development

Research expenditure is charged against profit as incurred. Development expenditure is normally written off as incurred, but may be deferred and amortised over future years where there is a reasonable expectation of its recovery in future revenue.

Repairs and renewals

These are written off to the profit and loss account as incurred.

Leasing

The costs of operating leases are charged against profit as they accrue.

Taxation

These accounts are prepared on the basis that taxable losses will be surrendered to other members of the Whitecroft plc Group on return for an amount equal to corporation tax on such losses. The amount receivable is included on taxation recoverable and tax credit for the year.

Deferred taxation

Provision is made for deferred taxation in circumstances where there is a reasonable probability of payment in the foreseeable future.

The provision is established at corporation tax rates anticipated to be in force at the time the deferred liability is expected to crystallise.

Blake Performance Fabrics Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

1. ACCOUNTING POLICIES (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Pensions

The Whitecroft group operates a defined benefit contributory pension scheme covering its permanent employees. The scheme's funds are administered by trustees and are independent of the group's finances. Contributions are paid to the scheme in accordance with the recommendations of independent actuaries on the basis of triennial actuarial valuations. The company's contributions are charged against profits for the period to which they relate.

2. TURNOVER

Turnover is attributable to one continuing activity, the manufacture of vinyl coated products and is stated after deduction of trade discounts and value added tax.

The turnover which is attributable to each of the company's geographical markets is:

	1996 £	1995 £
United Kingdom	3,380,838	3,335,386
European Union	79,234	17,014
Rest of World	2,128	1,280
	<u>3,462,200</u>	<u>3,353,680</u>

3. OPERATING LOSS

This is stated after charging:

	1996 £	1995 £
Depreciation of owned fixed assets	61,772	58,916
Loss on disposal of tangible assets	-	3,815
Operating lease rentals - plant and machinery	48,561	53,263
- other operating leases	68,895	55,768
Auditors' remuneration - audit fees	2,750	2,650
	<u>182,978</u>	<u>174,392</u>

4. DIRECTORS' EMOLUMENTS

	1996 £	1995 £
Fees	-	-
Other emoluments (including pension contributions)	109,995	111,837
Compensation in respect of loss of office	-	30,000
	<u>109,995</u>	<u>141,837</u>

Blake Performance Fabrics Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

4. DIRECTORS' EMOLUMENTS (continued)

Directors' emoluments fell within the following ranges:

	1996 No.	1995 No.
£Nil - £5,000	4	4
£15,001 - £20,000	1	-
£20,001 - £25,000	-	1
£30,001 - £35,000	-	1
£35,001 - £40,000	1	-
£40,001 - £45,000	-	1
£45,001 - £50,000	1	-

The emoluments of the chairman, excluding pension contributions, were £Nil (1995 - £Nil). The emoluments of the highest paid director, excluding pension contributions, were £45,973 (1995 - £44,117).

5. STAFF COSTS

	1996 £	1995 £
Wages and salaries	590,166	611,112
Social security costs	53,802	51,319
Other pension costs	44,488	43,468
	<u>688,456</u>	<u>705,899</u>

The average weekly number of employees during the year was as follows:

	1996 No.	1995 No.
Production staff	27	29
Sales and administrative staff	11	11
	<u>38</u>	<u>40</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
Bank loans, overdrafts and other loans repayable within five years	34,724	41,465
Other	66	-
	<u>34,790</u>	<u>41,465</u>

Blake Performance Fabrics Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

7. TAXATION

	1996 £	1995 £
United Kingdom corporation tax at 33% (1995 - 33%)	(49,825)	(89,876)

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total
Cost or valuation:				
At 1 April 1995	45,502	995,395	14,352	1,055,249
Additions	-	28,823	-	28,823
At 31 March 1996	45,502	1,024,218	14,352	1,084,072
Accumulated depreciation:				
At 1 April 1995	16,370	615,953	14,352	646,675
Charge for year	2,204	59,568	-	61,772
At 31 March 1996	18,574	675,521	14,352	708,447
Net book value:				
At 31 March 1996	26,928	348,697	-	375,625
At 1 April 1995	29,132	379,442	-	408,574

Land and buildings are stated at cost and comprise:

	1996 £	1995 £
Net book value:		
Short leasehold (with option to purchase)	26,928	29,132

Plant and machinery at cost or valuation are stated at:

	1996 £	1995 £
Valuation in 1987	239,352	239,352
Cost	784,866	756,043
	1,024,218	995,395

All other fixed assets are stated at cost.

Blake Performance Fabrics Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

9. STOCKS

	1996	1995
	£	£
Raw materials and consumables	362,343	354,531
Work in progress	43,634	46,707
Finished goods and goods for resale	115,847	116,951
	<u>521,824</u>	<u>518,189</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

10. DEBTORS

	1996	1995
	£	£
Trade debtors and prepayments	475,488	395,085
Amounts owed by fellow subsidiaries	114,341	186,611
Other debtors	-	11,729
Corporation tax recoverable	49,825	89,876
	<u>639,654</u>	<u>683,301</u>

11. CREDITORS : amounts falling due within one year

	1996	1995
	£	£
Bank overdraft	262,914	254,542
Trade creditors and accruals	581,799	573,048
Amounts owed to parent undertaking	20,124	20,115
Amounts owed to fellow subsidiaries	397	32
Other creditors and accruals	3,009	2,898
Other taxation and social security costs	36,208	24,802
	<u>904,451</u>	<u>875,437</u>

The bank overdraft is secured by a fixed and floating charge on the undertaking and assets of the company and other members of the Whitecroft plc group.

12. CREDITORS : amounts falling due after more than one year

	1996	1995
	£	£
Amounts owed to parent undertaking - unsecured loans	<u>600,000</u>	<u>600,000</u>

The unsecured loans are interest free and repayable with not less than 12 months notice from the lender and are subordinated to all other debts of the company.

Blake Performance Fabrics Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

13. DEFERRED TAXATION

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	1996	Provided 1995	1996	Not provided 1995
	£	£	£	£
Capital allowances in advance of depreciation	51,351	50,329	-	-
Trading losses	(51,351)	(50,329)	-	-
Capital gains held over	-	-	71,393	71,393
	<u>-</u>	<u>-</u>	<u>71,393</u>	<u>71,393</u>

There are additional corporation tax losses at 33% of £40,724 (1995 - £41,746) available to set off against future profits of the same trade.

14. SHARE CAPITAL

	1996	1995
	£	£
Authorised:		
999,000 Ordinary shares of £1 each	999,000	999,000
1,000 Preference shares of £1 each	1,000	1,000
	<u>1,000,000</u>	<u>1,000,000</u>
Allotted and fully paid:		
740,000 Ordinary shares of £1 each	740,000	740,000
1,000 Preference shares of £1 each	1,000	1,000
	<u>741,000</u>	<u>741,000</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total £
At 31 March 1994	741,000	(443,581)	297,419
Loss for the year	-	(162,636)	(162,636)
At 31 March 1995	741,000	(606,217)	134,783
Loss for the year	-	(101,955)	(101,955)
At 31 March 1996	<u>741,000</u>	<u>(708,172)</u>	<u>32,828</u>

Blake Performance Fabrics Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

16. FINANCIAL COMMITMENTS

Capital commitments:

	1996 £	1995 £
Contracted for but not provided	-	6,650
Authorised, but not yet contracted for	54,780	-

Operating lease commitments:

	1996		1995	
	<i>Land and buildings</i> £	<i>Other</i> £	<i>Land and buildings</i> £	<i>Other</i> £
Operating leases which expire:				
Within one year	-	-	617	585
Within two to five years	-	35,841	-	36,441
After five years	75,424	-	75,424	-
	<u>75,424</u>	<u>35,841</u>	<u>76,041</u>	<u>37,026</u>

17. PENSIONS

The company is a member of the Whitecroft plc group pension scheme.

The full regular cost of providing benefits to the company's members of the group pension scheme is charged in these accounts. Variations from regular cost cannot be accurately allocated on a company by company basis and, accordingly, the group variations are dealt with in the accounts of Whitecroft plc.

Details of the actuarial valuation of the group scheme and the treatment of the actuarial surplus are given in the accounts of Whitecroft plc.

18. CONTINGENT LIABILITIES

The company has guaranteed certain bank overdrafts and loans within the Whitecroft plc group, which at 31 March 1996 amounted to £11,223,474 (1995 - £10,661,305).

The company is a party to a group election for VAT. At 31 March 1996 the contingent liability in respect of this election amounted to £1,202,384 (1995 - £1,236,453).

19. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of Blake Performance Fabrics Limited is Whitecroft plc, a company incorporated in England and Wales.

Copies of the group accounts of Whitecroft plc, can be obtained from the Group Secretary, Water Lane, Wilmslow, Cheshire SK9 5BX.