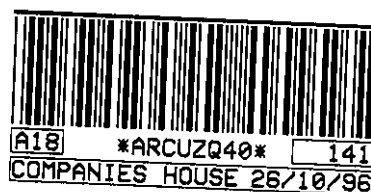


The Davis Badge Company Limited

Report and Accounts

31 December 1995

Registered number: 769597



The Davis Badge Company Limited

DIRECTORS' REPORT

DIRECTORS

B E Toye
B M Cowley

The directors present their report for the year ended 31 December 1995.

REVIEW OF THE BUSINESS

The company did not trade during the year.

DIRECTORS

The directors during the period under review were those listed above. B E Toye retires by rotation and, being eligible, offers himself for re-election.

DIRECTOR'S INTERESTS

None of the directors had an interest in the share capital of the company except as a nominee of the parent undertaking.

The directors are also directors of the ultimate parent undertaking, Toye & Company plc, and their interests in the share capital of all other group undertakings are disclosed in the accounts of that company.

By order of the Board.


N A Haynes

Secretary

11 April 1996

The Davis Badge Company 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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. 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 The Davis Badge Company Limited

We have audited the accounts on pages 4 and 5 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described 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.

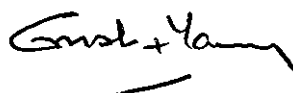
Basis of opinion

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 31 December 1995 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young

Chartered Accountants

Registered Auditor

Birmingham

11 April 1996

The Davis Badge Company Limited

BALANCE SHEET at 31 December 1995

	<i>Note</i>	<i>1995</i> £	<i>1994</i> £
CURRENT ASSET			
Amount owed by group undertaking		35,000	35,000
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	3	30,000	30,000
Profit and loss account		5,000	5,000
		<u> </u>	<u> </u>
		35,000	35,000
		<u> </u>	<u> </u>
SHAREHOLDERS' FUNDS			
Equity		10,000	10,000
Non-equity		25,000	25,000
		<u> </u>	<u> </u>
		35,000	35,000
		<u> </u>	<u> </u>


B E Toy

Director

11 April 1996

The Davis Badge Company Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

1. BASIS OF PREPARATION

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

2. 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.

3. CALLED UP SHARE CAPITAL

	1995 and 1994	
	Authorised	Allotted, called up and fully paid
	£	£
Equity interests:		
Ordinary shares of £1 each	5,000	5,000
Non-equity interests:		
2.8% (formerly 4%) non-cumulative preference shares of £1 each	25,000	25,000
	<u>30,000</u>	<u>30,000</u>

(a) Rights to dividends

The preference shares have the right to receive a fixed, non-cumulative preference dividend at the rate of 2.8% per annum on the amount paid up thereon in priority to the payment of any dividend on the ordinary shares.

(b) Priority on winding up

The preference shares have the right to receive the amount paid up on such shares in priority to any repayment to the holders of the ordinary shares.

(c) Voting rights

The preference shares do not have any right to attend or vote at any general meeting of the company.

4. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Toye & Company plc, registered in England & Wales. Copies of Toye & Company plc's accounts can be obtained from the registered office at Regalia House, 19-21 Great Queen Street, London WC2B 5BE.