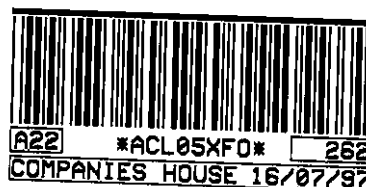


PAGE MOULDINGS (PERSHORE) LIMITED

**Directors' report and
financial statements**

31 December 1996

Registered Number : 3069139



PAGE MOULDINGS (PERSHORE) LIMITED

Directors' report and financial statements

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PAGE MOULDINGS (PERSHORE) LIMITED

Directors' report

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

Principal activities and business review

The primary activity of the Company is the manufacture of plastic mouldings for use in the aerospace and radiological industries.

Directors and directors' interests

The directors who held office during the period were as follows:

P R Gibbs	(Appointed 4.8.95)
A N Hayes	(Appointed 4.8.95) (Secretary)

The interests of P R Gibbs and A N Hayes are disclosed in the directors' report of Page Group Holdings Limited, the ultimate holding company.

Statement of 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 for that period. In preparing those financial statements, 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 financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

PAGE MOULDINGS (PERSHORE) LIMITED

Directors' report (continued)

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the Company, is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 29 May 1997



P R Gibbs
Director

Forge Lane
Sunbury on Thames
Middlesex
TW16 6EQ

PAGE MOULDINGS (PERSHORE) LIMITED

Auditors' Report to the Members of Page Mouldings (Persnore) Limited

We have audited the financial statements on pages 5 to 12.

Respective responsibilities of directors and auditors

As described on page 2 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 judgements 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 the Company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

Dukes Keep
Marsh Lane
Southampton
SO14 3EX

13 June 1997

PAGE MOULDINGS (PERSHORE) LIMITED

Profit and loss account for the year ended 31 December 1996

	Note	Continuing activities	
		12 months 1996 £	6 months 1995 £
Turnover	2	119858	26384
Cost of sales		(11204)	(7976)
		<hr/>	<hr/>
Gross profit		108654	18408
Distribution costs		(1789)	(1220)
Administrative expenses		(36996)	(7490)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	69869	9698
Tax on profit on ordinary activities	6	(17833)	(2346)
		<hr/>	<hr/>
Retained profit for the financial period		52036	7352
Retained profit brought forward		7352	-
		<hr/>	<hr/>
Retained profit carried forward		59388	7352
		<hr/> <hr/>	<hr/> <hr/>

The attached notes and accounting policies form part of these financial statements.

There are no recognised gains or losses other than those included in the profit and loss of the Company (1995: Nil). There is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

PAGE MOULDINGS (PERSHORE) LIMITED

Balance Sheet at 31 December 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	7	1706	1260
Current assets			
Stocks	8	1300	1300
Debtors	9	69569	9533
Cash at bank and in hand		4533	11735
		<hr/>	<hr/>
		75402	22568
Creditors: amounts falling due within one year	10	(17718)	(16474)
		<hr/>	<hr/>
Net current assets		57684	6094
		<hr/>	<hr/>
Net assets		59390	7354
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	59388	7352
		<hr/>	<hr/>
Equity shareholders' funds		59390	7354
		<hr/>	<hr/>

The attached notes and accounting policies form part of these financial statements.

These financial statements were approved by the board of directors on 29 May 1997 and were signed on its behalf by :



P R Gibbs
Director

PAGE MOULDINGS (PERSHORE) LIMITED

Notes

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules. The Company makes up its financial statements to the Friday nearest to 31 December.

Cash Flow Statement

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of a parent undertaking which has produced a group cash flow statement in accordance with the provisions of the standard.

Fixed assets and depreciation

Depreciation is provided by the Company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery - 4 years

Tooling - 4 years

Computer software expenditure is written off against profits in the year in which it is incurred.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Stock

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, and work-in-progress, the weighted average purchase price is used. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

PAGE MOULDINGS (PERSHORE) LIMITED

Notes (continued)

Accounting policies (continued)

Transactions with related parties

The Company has taken advantage of the exemption under Financial Reporting Standard 8 and has not disclosed transactions with companies that are part of the Page Group Holdings Group of Companies.

2. Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

By geographical market	12 months 1996 £	6 months 1995 £
United Kingdom	105617	20465
Other EC countries	6177	3351
Rest of the world	8064	2568
	<hr/>	<hr/>
	119858	26384
	<hr/>	<hr/>

3. Profit on ordinary activities before taxation	12 months 1996 £	6 months 1995 £
Profit on ordinary activities before taxation is stated after charging		
Depreciation written off owned tangible fixed assets:	400	100

4. Remuneration of directors

Directors' emoluments were nil (1995: Nil).

PAGE MOULDINGS (PERSHORE) LIMITED

Notes (continued)

5. Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 1996	Number of employees 1995
Production	1	1
Sales, distribution and administration	3	3
	<hr/>	<hr/>
	4	4
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	12 months 1996 £	6 months 1995 £
Wages and salaries	22230	8400
Social security cost	2110	281
	<hr/>	<hr/>
	24340	8681
	<hr/>	<hr/>

6. Taxation

	12 months 1996 £	6 months 1995 £
UK corporation tax at 25% on the profit for the year on ordinary activities	17765	2346
Adjustment relating to prior years	68	-
	<hr/>	<hr/>
	17833	2346
	<hr/>	<hr/>

PAGE MOULDINGS (PERSHORE) LIMITED

Notes (continued)

7. Tangible fixed assets

	Tools, fixtures, plant and machinery	
	1996	1995
	£	£
<u>Cost</u>		
At beginning of period	1360	-
Additions	846	1360
	—	—
At end of period	2206	1360
	—	—
<u>Depreciation and diminution in value</u>		
At beginning of period	100	-
Charge for period	400	100
	—	—
At end of period	500	100
	—	—
<u>Net book value</u>	1706	1260
	—	—

8. Stocks

	1996	1995
	£	£
Raw materials	1000	1000
Finished goods	300	300
	—	—
	1300	1300
	—	—

9. Debtors

	1996	1995
	£	£
Trade debtors	9692	9533
Amounts owed by parent undertaking	59877	-
	—	—
	69569	9533
	—	—

PAGE MOULDINGS (PERSHORE) LIMITED

Notes (continued)

10. Creditors : amounts falling due within one year

	1996	1995
	£	£
Trade creditors	691	708
Amounts owed to parent undertaking	-	7890
Other creditors including taxation and social security		
Corporation tax	13692	2346
VAT	965	2885
Other taxes and social security	1516	2345
	16173	7576
Accruals and deferred income	854	300
	17718	16474

11. Called up share capital

	1996	1995
	£	£
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each	2	2

12. Movement on shareholders' funds

	Called up share capital £	Profit & loss account £	Total shareholders' funds £
At beginning of the year	2	7352	7354
Retained profit for the year	-	52036	52036
At the end of the year	2	59388	59390

PAGE MOULDINGS (PERSHORE) LIMITED

Notes (continued)

13. Commitments

There were no capital commitments at the end of the year.

14. Contingent liabilities

The Company, together with other group companies has given cross guarantees to its bankers in respect of their UK overdraft, short-term loan facilities and debentures. The contingent liability at 31 December 1996 was £10,228,000 and the maximum possible liability to the Company in respect of these facilities is £11,228,000.

15. Ultimate holding company and parent undertaking of larger group of which the company is a member.

The ultimate holding company of Page Mouldings (Persore) Limited is Page Group Holdings Limited, a company which is registered in England and Wales in which the results of the Company are consolidated. Copies of the consolidated accounts can be obtained from Page Group Holdings Limited, Forge Lane, Sunbury-on-Thames.