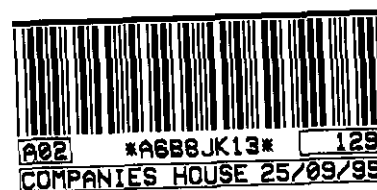


Page Mouldings (Persshore) Limited

Directors' report and financial statements

31 December 1998

Registered number 3069139



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

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 year were as follows:

PR Gibbs

AN Hayes Secretary

The interests of PR Gibbs and AN Hayes in the shares of group companies are disclosed in the directors' report of Page Group Holdings Limited.

Year 2000

The company is aware of the potential for problems associated with the date change to the year 2000 and is following a plan to assess and manage the risk so as to minimise the potential for impact on the company. The assessment has been carried out and the company has moved into the next phase, that of actively managing the risk. No material capital investment is expected beyond the company's normal capital programme, and no other material costs are expected to be incurred. Whilst there can be no assurance that the Year 2000 project will be fully successful, the company and its subsidiaries are confident that their ability to service their clients will not be materially affected.

By order of the board



PR Gibbs

Director

Forge Lane
Sunbury on Thames
Middlesex
TW16 6EQ

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;
- 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.



Dukes Keep
Marsh Lane
Southampton SO14 3EX
United Kingdom

Report of the auditors to the members of Page Mouldings (Pershore) Limited

We have audited the financial statements on pages 4 to 11.

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 1998 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

4 May 1999

Profit and loss account

for the year ended 31 December 1998

	<i>Note</i>	1998 £	1997 £
Turnover	2	95,457	118,446
Cost of sales		(14,619)	(19,263)
		<hr/>	<hr/>
Gross profit		80,838	99,183
Distribution costs		(1,074)	(1,028)
Administrative expenses		(58,902)	(67,613)
		<hr/>	<hr/>
Operating profit		20,862	30,542
Interest receivable		134	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	20,996	30,542
Tax on profit on ordinary activities	6	(4,450)	(6,744)
		<hr/>	<hr/>
Profit on ordinary activities after taxation and retained profit for the financial year		16,546	23,798
Retained profit brought forward		83,186	59,388
		<hr/>	<hr/>
Retained profit carried forward		99,732	83,186
		<hr/> <hr/>	<hr/> <hr/>

In both the current and previous years the company made no acquisitions and had no discontinued operations.

There are no recognised gains or losses other than the profit for the years as reported above. There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year, and their historical cost equivalents.

Balance sheet
at 31 December 1998

	<i>Note</i>	1998		1997
		£	£	£
Fixed assets				
Tangible assets	7	1,045		1,645
Current assets				
Stocks	8	8,055		1,300
Debtors	9	96,293		104,989
Cash at bank and in hand		137,974		66,462
		<u>242,322</u>		<u>172,751</u>
Creditors: amounts falling due within one year	10	<u>(143,633)</u>		<u>(91,208)</u>
Net current assets			98,689	81,543
Net assets			<u>99,734</u>	<u>83,188</u>
Capital and reserves				
Called up share capital	11	2		2
Profit and loss account	13	99,732		83,186
Equity shareholder's funds		<u>99,734</u>		<u>83,188</u>

These financial statements were approved by the board of directors on 29 Apr 99

and were signed on its behalf by:



PR Gibbs
Director

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.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Fixed assets and depreciation

Depreciation is provided 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 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.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods 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.

Transactions with related parties

Advantage has been taken of the exemption under Financial Reporting Standard 8 not to disclose details of transactions with Page Group Holdings Limited or other group undertakings as the consolidated financial statements of Page Group Holdings Limited in which the company is included are publicly available.

Notes (continued)

Turnover

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

2 Turnover

	1998	1997
<i>By geographical market</i>	£	£
United Kingdom	89,487	98,248
Other EU countries	2,720	4,447
Rest of the world	3,250	15,751
	<u>95,457</u>	<u>118,446</u>

All turnover and profit derives from the company's principal activity and originates in the UK.

3 Profit on ordinary activities before taxation

	1998	1997
<i>Profit on ordinary activities before taxation is started after charging</i>	£	£
Depreciation written off owned tangible fixed assets	600	650
	<u>600</u>	<u>650</u>

Auditors' remuneration amounting to £1,500 (1997: £1,500) has been borne by Page Aerospace Limited.

4 Remuneration of directors

No directors received any emoluments in respect of their service to the company (1997: £Nil).

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	
	1998	1997
Production	1	1
Sales, distribution and administration	3	3
	<u>4</u>	<u>4</u>

Notes (continued)

5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	1998	1997
	£	£
Wages and salaries	17,942	23,865
Social security costs	1,563	2,222
	<hr/>	<hr/>
	19,505	26,087
	<hr/>	<hr/>

6 Taxation

	1998	1997
	£	£
UK corporation tax at 21% (1997: 21%)	4,450	6,744
	<hr/>	<hr/>

7 Tangible fixed assets

	Tools, fixtures, plant and machinery	
	1998	1997
	£	£
<i>Cost</i>		
At beginning of year	2,795	2,206
Additions	-	589
	<hr/>	<hr/>
At end of year	2,795	2,795
	<hr/>	<hr/>
<i>Depreciation</i>		
At beginning of year	1,150	500
Charge for the year	600	650
	<hr/>	<hr/>
At end of year	1,750	1,150
	<hr/>	<hr/>
<i>Net book value</i>	1,045	1,645
	<hr/>	<hr/>

Notes (continued)

8 Stocks

	1998	1997
	£	£
Raw materials	2,872	1,000
Finished goods	5,183	300
	<hr/>	<hr/>
	8,055	1,300
	<hr/> <hr/>	<hr/> <hr/>

9 Debtors

	1998	1997
	£	£
Trade debtors	14,918	22,053
Amounts owed by group undertakings	81,375	75,092
Corporation tax recoverable	-	7,844
	<hr/>	<hr/>
	96,293	104,989
	<hr/> <hr/>	<hr/> <hr/>

10 Creditors: amounts falling due within one year

	1998		1997
	£	£	£
Trade creditors	-		3,753
Amounts owed to group undertaking	136,019		74,950
Other creditors including taxation and social security:			
Corporation tax	4,450	6,665	
VAT	1,907	4,114	
Other taxes and social security	1,257	1,726	
	<hr/>	<hr/>	
	7,614		12,505
	<hr/>		<hr/>
	143,633		91,208
	<hr/> <hr/>		<hr/> <hr/>

Notes (continued)

11 Called up share capital

	1998 £	1997 £
Authorised, allotted, called up and fully paid Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

12 Reconciliation of movements in shareholder's funds

	1998 £000	1997 £
Profit for the financial year	16,546	23,798
Opening shareholder's funds	83,188	59,390
	<u>83,188</u>	<u>59,390</u>
Closing shareholder's funds	99,734	83,188
	<u>99,734</u>	<u>83,188</u>

13 Movement in reserves

	Profit and loss account £	Total shareholders' funds £
At beginning of year	83,186	83,188
Retained profit for the year	16,546	16,546
	<u>83,186</u>	<u>83,188</u>
At the end of the year	99,732	99,734
	<u>99,732</u>	<u>99,734</u>

14 Commitments

There were no capital commitments at the end of the year (1997: £Nil).

Notes (continued)

15 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 1998 in respect of net borrowings by other group companies was £9,134,000 (1997: £9,813,000) and the maximum possible liability to the company in respect of these facilities is £9,134,000 (1997: £10,813,000).

16 Ultimate holding company

The company is a subsidiary undertaking of Page Group Holdings Limited, registered in England and Wales.

The only group in which the results of the company are consolidated is that headed by Page Group Holdings Limited. The consolidated financial statements of Page Group Holdings Limited are available and may be obtained from Companies House.