

Lister Yarns Limited

Directors' report and financial statements

1 April 1995

Registered number 166300



Lister Yarns Limited

Directors' report and financial statements

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Lister Yarns Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 1 April 1995.

Principal activities

The company has not traded in the year.

Business review

Last year Lister & Co plc took the decision to merge all of the group's textile activities into one company.

At 26 March 1994, Lister Yarns Limited entered into an agreement with its parent undertaking Lister & Co plc for the sale and purchase of its assets and liabilities. The activities of the company together with the assets and liabilities were transferred into a division of Lister & Co plc.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend (1994: £Nil).

The directors propose that the year retained profit for the year of £50,077 be transferred to reserves (1994: £499,913).

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Directors' report *(continued)*

Directors and directors' interests

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

J B H Dracup (resigned 28 February 1995)
M Jones
H F Openshaw (resigned 15 September 1995)
D Oxley
J Turner

Mr M R Parker who was the Chief Executive of Lister & Co plc, until 15 August 1995, acted as Chairman of the company although he did not hold a formal board appointment.

D Oxley retires by rotation and, being eligible, offers himself for re-election.

The directors who held office at the end of the financial year had the following interests in the ordinary shares of Lister & Co plc, the company's ultimate holding company as recorded in the register of directors' share and debenture interests:

	Number of shares	
	Interest at end of year	Interest at beginning of year
M Jones	500	500
J Turner	17,000	17,000

No other director had any interest in the shares of the company or any other group company at any time during the year.

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Directors' report *(continued)*

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 fraud and other irregularities.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. 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.

By order of the board



S R Sutcliffe
Secretary

Aspinall Street
Heywood
Lancashire
OL10 4HP

27 September 1995



1 The Embankment
Neville Street
Leeds
LS1 4DW

Report of the auditors to the members of Lister Yarns Limited

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

Respective responsibilities of directors and auditors

As described on page 3 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 1 April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

27 September 1995



Lister Yarns Limited

Profit and loss account for the year ended 1 April 1995

	Note	1995 £	1994 £
Turnover	2	-	17,234,002
Cost of sales		-	(15,155,103)
Gross profit		-	2,078,899
Distribution costs		-	(985,041)
Administrative expenses		-	(467,793)
Operating profit		-	626,065
Interest payable and similar charges	6	-	(76,075)
Profit on ordinary activities before taxation	3-5	-	549,990
Tax on profit on ordinary activities	7	50,077	(50,077)
Retained profit for the financial year		50,077	499,913

The company has no recognised gains and losses other than the retained profit for the financial year. Accordingly a statement of total recognised gains and losses is not presented as part of these financial statements.

Note of historical cost profits and losses for the year ended 1 April 1995

	1995 £	1994 £
Reported profit on ordinary activities before taxation	-	549,990
Realisation of property revaluation gains of previous years	-	228,751
Difference between historic cost depreciation charge and the actual depreciation charge based on revalued amount	-	8,172
Historical cost profit on ordinary activities before taxation	-	786,913
Historical cost profit for the year retained after taxation	50,077	736,836

Lister Yarns Limited

Balance sheet
at 1 April 1995

	Note	1995 £	£	1994 £	£
Current assets					
Debtors	8	50,077		-	
Creditors: amounts falling due within one year	9	<u>(1,925,307)</u>		<u>(1,925,307)</u>	
Net current liabilities			<u>(1,875,230)</u>		<u>(1,925,307)</u>
Total net liabilities			<u>(1,875,230)</u>		<u>(1,925,307)</u>
Capital and reserves					
Called up share capital	10	450,000		450,000	
Profit and loss account		<u>(2,325,230)</u>		<u>(2,375,307)</u>	
			<u>(1,875,230)</u>		<u>(1,925,307)</u>

These financial statements were approved by the board of directors on 27 September 1995 and were signed on its behalf by:

Maurice Jones

M Jones
Director

Lister Yarns 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.

Going concern

These accounts have been prepared on a going concern basis since the ultimate parent company, Lister & Co plc, has indicated that it intends to provide such funds as are necessary for the company to continue to trade for the foreseeable future.

Fixed assets and depreciation

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

Freehold buildings	-	2½ % per annum
Plant and machinery		
fixtures, fittings,		
tools, and equipment	-	5 % - 20 % per annum

No depreciation is provided on freehold land.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

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Notes (continued)

1 Accounting policies (continued)

Pension costs

The company is a member of a group operated defined benefit pension scheme. The assets of the scheme which is fully funded are invested with Guardian Royal Exchange Assurance plc. Contributions, which are determined after consultation with the scheme actuary, are charged to the profit and loss account so as to spread the cost of pensions over the average expected working lives of employees in the scheme.

The latest formal actuarial valuation was at 1 April 1993. Particulars of the actuarial valuation of the group scheme are contained in the accounts of Lister & Co plc.

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. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of an EC parent company.

2 Turnover

Turnover of the company for the year is the net amount receivable by the company for goods supplied and rents exclusive of valued added tax.

The analysis of turnover by geographical area is:

	1995	1994
	£	£
United Kingdom	-	16,085,002
Europe	-	630,000
Far East	-	108,000
Others	-	411,000
	-	17,234,002

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Notes (continued)

3 Profit on ordinary activities before taxation

	1995 £	1994 £
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit	-	12,250
Other services	-	2,345
Depreciation and other amounts written off tangible fixed assets:		
Owned	-	556,775
Hire of plant and machinery		95,153
Directors emoluments (see note 4): remuneration as executives	-	282,410
<i>after crediting</i>		
Profit on disposal of tangible fixed assets	-	22,235

4 Remuneration of directors

The emoluments of the Chairman, excluding pension contributions, were £Nil (1994: £Nil). The emoluments, excluding pension contributions, of the highest paid director were £Nil (1994: £55,691).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following ranges:

	1995 Number of directors	1994 Number of directors
£40,001 - £45,000	-	2
£45,001 - £50,000	-	2
£55,001 - £60,000	-	1

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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:

	1995	1994
	Number of employees	
Production	-	323
Distribution	-	15
Administration	-	13
	-	351

The aggregate payroll costs of these persons were as follows:

	1995	1994
	£	£
Wages and salaries	-	3,738,067
Social security costs	-	340,746
Other pension costs	-	103,860
	-	4,182,673

6 Interest payable and similar charges

	1995	1994
	£	£
Bank and loan interest	-	76,075

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Notes (continued)

7 Tax on profit on ordinary activities

	1995 £	1994 £
UK corporation tax at 33% (1994: 33%) on the profit for the year on ordinary activities	-	-
Group relief at 33% (1994: 33%)	-	50,077
Adjustment relating to an earlier year	(50,077)	-
	<u>(50,077)</u>	<u>50,077</u>

At 1 April 1995, the company had no trading losses (1994: £2,800,000) available for offset against future taxable profits.

8 Debtors

	1995 £	1994 £
Amounts owed by group undertakings	<u>50,077</u>	<u>-</u>

9 Creditors: amounts falling due within one year

	1995 £	1994 £
Amounts owed to group undertakings	<u>1,925,307</u>	<u>1,925,307</u>

10 Called up share capital

	1995 £	1994 £
<i>Authorised</i>		
Ordinary shares of £1 each	<u>750,000</u>	<u>750,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>450,000</u>	<u>450,000</u>

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Notes (continued)

11 Reserves

Profit and
loss account
£

At 26 March 1994	(2,375,307)
Retained profit for the financial year	50,077
At 1 April 1995	(2,325,230)

12 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial year	50,077	499,913
Opening shareholders' funds	(1,925,307)	(2,425,220)
Closing shareholders' funds	(1,875,230)	(1,925,307)

13 Contingent liability

The company has entered into an agreement to cross guarantee bank overdrafts of fellow group companies amounting to £4,041,729 (1994: £3,911,622).

14 Ultimate parent company

The ultimate parent company is Lister & Co plc incorporated in Great Britain and registered in England and Wales. Financial statements for Lister & Co plc can be obtained from Prospect Mills, Huddersfield HD3 4UT.