

Lister Yarns Limited

Directors' report and financial statements

31 March 1996

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 31 March 1996.

Principal activities

The company has not traded in the year.

Proposed dividend

The directors do not recommend the payment of a dividend (1995: £Nil).

Directors and directors' interests

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

M Jones
HF Openshaw (resigned 15 September 1995)
D Oxley
J Turner

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.

By order of the board

J. R. S. S. S.

**Manningham Mills
Heaton Road
BRADFORD
BD9 4SH**

27 September 1996



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 4 to 8.

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 March 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

27 September 1996



Lister Yarns Limited

Profit and loss account for the year ended 31 March 1996

	<i>Note</i>	1996 £	1995 £
Operating profit		-	-
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	3	-	50,077
Retained profit for the financial year		-	50,077

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.

The historical cost profit is not different to that reported above.

Movements in shareholders' funds and reserves are shown in note 8 of these financial statements.

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Balance sheet at 31 March 1996

	Note	1996 £	£	1995 £	£
Current assets					
Debtors	4	5,390		5,390	
Creditors: amounts falling due within one year	5	<u>(1,880,620)</u>		<u>(1,880,620)</u>	
Net current liabilities			<u>(1,875,230)</u>		<u>(1,875,230)</u>
Total net liabilities			<u>(1,875,230)</u>		<u>(1,875,230)</u>
Capital and reserves					
Called up share capital	6	450,000		450,000	
Profit and loss account	7	<u>(2,325,230)</u>		<u>(2,325,230)</u>	
			<u>(1,875,230)</u>		<u>(1,875,230)</u>

These financial statements were approved by the board of directors on 27 September 1996 and were signed on its behalf by:

Director

Maurice Jones

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.

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 Remuneration of directors

The directors received no emoluments during the year (1995: £Nil).

3 Tax on profit on ordinary activities

	1996 £	1995 £
Adjustment relating to an earlier year	-	(50,077)

4 Debtors

	1996 £	1995 £
Amounts owed by group undertakings	5,390	5,390

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Notes (continued)

5 Creditors: amounts falling due within one year

	1996 £	1995 £
Amounts owed to group undertakings	<u>1,880,620</u>	<u>1,880,620</u>

6 Called up share capital

	1996 £	1995 £
<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>

7 Reserves

	Profit and loss account £
At 1 April 1995 and 31 March 1996	<u>(2,325,230)</u>

8 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit for the financial year	-	50,077
Opening shareholders' funds	<u>(1,875,230)</u>	<u>(1,925,307)</u>
Closing shareholders' funds	<u>(1,875,230)</u>	<u>(1,875,230)</u>

9 Contingent liability

The company has entered into an agreement to cross guarantee bank overdrafts of fellow group companies amounting to £6,886,078 (1995: £4,041,729).

The company, together with fellow subsidiaries, is part of a group registration for value added tax and is therefore jointly and severally liable for other group companies' unpaid debts of £594,599 (1995: £165,828).

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Notes *(continued)*

10 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 Manningham Mills, Heaton Road, Bradford BD9 4SH.