

STRUTHERS AND CARTER LIMITED
Registered Number 349307

ABBREVIATED ACCOUNTS

31 DECEMBER 1994



STRUTHERS AND CARTER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994

The directors' present their report and the audited accounts of the company for the year ended 31 December 1994.

REVIEW OF THE BUSINESS

The principal activity of the company was that of steel stockholders.

The company has traded satisfactorily during the year and this is expected to continue into the foreseeable future.

RESULTS AND DIVIDENDS

The company's profit for the financial year is £158,848 (1993 £132,115).

The directors propose the payment of a dividend of £36,400 for the year, resulting in a transfer to reserves of £122,448 (1993 £108,115)

DIRECTORS AND THEIR INTERESTS

The directors at the year end, all of whom have been directors throughout the year, and their interests in the shares of the company at the beginning and end of the year are given below:

	Ordinary shares	
	<u>31 December 1994</u>	<u>31 December 1993</u>
D R Carter	72,000	100,000
Mrs H Carter	1,000	1,000
M B R Carter	4,000	Nil
R A Taylor	Nil	Nil
D Varley	Nil	Nil
F C Radford	Nil	Nil

A partner in Price Waterhouse is a trustee of the "D R Carter's Children's Trust" which holds 24,000 ordinary shares in Struthers and Carter Limited at 31 December 1994 (1993 Nil).

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 of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;

STRUTHERS AND CARTER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

- 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 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.

SUBSEQUENT EVENTS

On 2 March 1994 the company purchased 10,000 of its own ordinary £1 shares out of distributable reserves at a price of £10 per share. This was for the purpose of benefiting the company's trade.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made political and charitable contributions totalling £1,100 (1993 - £1,100).

AUDITORS

The auditors, Price Waterhouse, who were appointed during the year, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



Chairman
20 June 1995

Price Waterhouse



**AUDITORS' REPORT TO THE DIRECTORS OF
STRUTHERS AND CARTER LIMITED PURSUANT TO PARAGRAPH 24
OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 6 to 17 together with the full financial statements of Struthers and Carter Limited for the year ended 31 December 1994. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemptions claimed in the Directors' statement on page 7 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31 December 1994, and the abbreviated accounts on pages 6 to 17 have been properly prepared in accordance with that Schedule.

On 20 June 1995 we reported as auditors of Struthers and Carter Limited to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1994 and our audit report was as follows:

"We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

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 judgments 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.

Price Waterhouse



**AUDITORS' REPORT TO THE DIRECTORS OF
STRUTHERS AND CARTER LIMITED PURSUANT TO PARAGRAPH 24
OF SCHEDULE 8 TO THE COMPANIES ACT 1985 (CONTINUED)**

We planned and performed our audit so as to obtain all 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 1994 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.*

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

20 June 1995

Price Waterhouse



**AUDITORS' REPORT TO THE DIRECTORS OF
STRUTHERS AND CARTER LIMITED
PURSUANT TO SECTION 248 (3) OF THE
COMPANIES ACT 1985**

We have examined the aggregation of the relevant figures required by Section 249 of the Companies Act 1985. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemption from the need to prepare group accounts.

In our opinion the company is entitled to take advantage of this exemption under Section 248 of the Companies Act 1985 from the need to prepare group accounts for the year ended 31 December 1994.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

20 June 1995

STRUTHERS AND CARTER LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1994**

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
GROSS PROFIT		1,811,212	1,793,252
Distribution costs		(267,165)	(224,626)
Administration expenses		<u>(1,306,116)</u>	<u>(1,357,129)</u>
OPERATING PROFIT - CONTINUING OPERATIONS	2	237,931	211,497
Interest	5	(15,127)	(2,220)
Income from fixed asset investments		<u>18,000</u>	<u>6,300</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		240,804	215,577
Taxation	6	<u>(81,956)</u>	<u>(83,462)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		158,848	132,115
Dividends	7	<u>(36,400)</u>	<u>(24,000)</u>
RETAINED PROFIT FOR THE YEAR	18	<u>£122,448</u>	<u>£108,115</u>

The company has no recognised gains or losses other than the profits reported above.

STRUTHERS AND CARTER LIMITED

BALANCE SHEET - 31 DECEMBER 1994

	Notes	1994	1993
FIXED ASSETS			
Tangible assets	8	1,003,832	1,085,471
Investments	9	<u>154,306</u>	<u>154,306</u>
		1,158,138	1,239,777
CURRENT ASSETS			
Stocks	10	1,738,971	1,370,872
Debtors	11	2,812,211	2,982,411
Cash at bank and in hand		<u>532</u>	<u>637</u>
		4,551,714	4,353,920
CREDITORS: Amounts falling due within one year	12	<u>(1,863,626)</u>	<u>(1,879,033)</u>
NET CURRENT ASSETS		<u>2,688,088</u>	<u>2,474,887</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,846,226	3,714,664
CREDITORS: Amounts falling due after more than one year	13	(378,716)	(270,158)
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>(556)</u>	<u>-</u>
		£3,466,954	£3,444,506
CAPITAL AND RESERVES			
Called up share capital	16	140,000	150,000
Capital redemption reserve	17	10,000	-
Capital reserve		8,245	8,245
Profit and loss account	18	<u>3,308,709</u>	<u>3,286,261</u>
	19	£3,466,954	£3,444,506

The directors have taken advantage of the exemptions conferred by Section A Part III of Schedule 8 to the Companies Act 1985 entitling them to deliver abbreviated accounts on the grounds that the company is medium-sized.

APPROVED BY THE BOARD ON
20 June 1995

DIRECTOR

STRUTHERS AND CARTER LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1994

	Notes	1994	1993
Net cash inflow from operating activities	21(1)	160,793	357,154
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		-	696
Interest paid	(15,127)		(2,916)
Dividends received	18,000		2,700
Dividends paid	<u>(24,000)</u>		<u>(11,250)</u>
Net cash outflow from returns on investment and servicing of finance		(21,127)	(10,770)
TAXATION			
Taxation paid		(112,389)	(5,991)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets	(27,838)		(178,127)
Receipts from sale of fixed assets	<u>6,287</u>		<u>16,900</u>
Net cash outflow from investing activities		<u>(21,551)</u>	<u>(161,227)</u>
Net cash inflow before financing		5,726	179,166
FINANCING			
Increase in loan	21(4)	102,144	85,387
Increase/(decrease) in finance loans	21(4)	25,753	23,281
Purchase of own shares		<u>(100,000)</u>	<u>-</u>
Net cash (outflow)/inflow from financing		<u>(23,609)</u>	<u>108,668</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	21(3)	<u>£(17,883)</u>	<u>£287,834</u>

STRUTHERS AND CARTER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

1 ACCOUNTING POLICIES

(1) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting policies.

(2) Depreciation

The cost of tangible fixed assets is written off over their expected useful lives as follows:

Freehold property	2½% straight line basis
Plant and machinery	10% straight line basis
Office equipment	10% straight line basis
Fixtures and fittings	10% straight line basis
Computer	25% straight line basis
Motor vehicles	25% straight line basis

(3) Stocks

Stocks are valued at the lower of cost and net realisable value.

(4) Deferred taxation

Deferred taxation is provided in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

(5) Pensions

Pensions have been charged to the profit and loss account as they fall due.

(6) Basis of consolidation

As explained in note 9, the company is not required to prepare consolidated financial statements. Accordingly, the accounts present information about the company as an individual and not as a group.

STRUTHERS AND CARTER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(7) Finance leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in accordance with the straight line method.

2 OPERATING PROFIT

Operating profit is stated after charging the following:

	<u>1994</u>	<u>1993</u>
Depreciation - owned assets	£87,275	£94,095
- leased assets	£31,010	£18,947
Auditors' remuneration - audit fees	£6,750	£6,500
	<u> </u>	<u> </u>

Aggregate finance lease charges (of which part is shown as depreciation, and the balance as interest)

£33,613	£20,347
<u> </u>	<u> </u>

3 STAFF COSTS

Wages and salaries
Social security costs
Other pension costs

760,579	671,905
72,589	62,014
<u>123,735</u>	<u>295,505</u>
£956,903	£1,029,424
<u> </u>	<u> </u>

The average number of persons employed by the company (including executive directors) during the year was:

	<u>Number</u>	<u>Number</u>
Management	7	7
Administration, selling and distribution	20	15
Production and warehouse	<u>20</u>	<u>19</u>
	47	41
	<u> </u>	<u> </u>

STRUTHERS AND CARTER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

4 DIRECTORS' EMOLUMENTS

As directors

Directors' emoluments excluding pension scheme contributions:
Chairman and highest paid director

Number of directors who received emoluments in the
following ranges was

£nil	-	£5,000
£15,001	-	£20,000
£35,001	-	£40,000
£40,001	-	£45,000
£50,001	-	£55,000
£190,001	-	£195,000
£205,001	-	£210,000

<u>1994</u>	<u>1993</u>
£371,410	£350,121
<u> </u>	<u> </u>

£208,459	£194,136
<u> </u>	<u> </u>

<u>Number</u>	<u>Number</u>
2	2
1	1
-	1
1	-
1	1
-	1
1	-
<u>1994</u>	<u>1993</u>

5 INTEREST

Interest receivable
Bank interest

Less interest payable
Bank interest
Finance lease interest

-	696
(12,524)	(1,516)
<u>(2,603)</u>	<u>(1,400)</u>
£(15,127)	£(2,220)
<u> </u>	<u> </u>

6 TAXATION

Corporation tax on profit on ordinary activities
at 33% (1993 at 33%)

Corporation Tax
Deferred Tax

Prior Year Adjustment
Corporation tax
Deferred Tax

Tax credit on dividends received

73,552	82,112
6,056	(941)
(1,252)	-
-	941
<u>3,600</u>	<u>1,350</u>
£81,956	£83,462
<u> </u>	<u> </u>

STRUTHERS AND CARTER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

7

DIVIDENDS

1994

1993

£36,400

£24,000

Proposed - 26p (1993 16p)

8

TANGIBLE ASSETS

Freehold property

Plant and machinery

Office equipment

Motor vehicles

Total

Cost

31 December 1993

Additions

Disposals

31 December 1994

Depreciation

31 December 1993

Charged in year

Disposals

31 December 1994

Net book value

31 December 1994

976,234

54,951

220,025

523,410

1,774,620

-

700

15,568

59,820

76,088

-

-

-

(146,631)

(146,631)

£976,234

£55,651

£235,593

£436,599

£1,704,077

197,800

45,831

125,080

320,438

689,149

19,173

1,083

28,561

69,468

118,285

-

-

-

(107,189)

(107,189)

£216,973

£46,914

£153,641

£282,717

£700,245

£759,261

£8,737

£81,952

£153,882

£1,003,832

The net book amount of assets capitalised which are held under finance leases are:

1994

1993

£74,084

£59,451

Motor vehicles

Authorised future capital expenditure amounts to:

£-

£-

Contracted for

£-

£-

Authorised but contracts not placed

STRUTHERS AND CARTER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

9

FIXED ASSET INVESTMENTS

Investment in subsidiary
and related undertakings

Cost £154,306
31 December 1993 and 31 December 1994

The company holds more than 10% of the equity share capital of the following undertakings:

<u>Name of company</u>	<u>Country of registration and operation</u>	<u>Class of share</u>	<u>Proportion held</u>	<u>Nature of business</u>
Mancells (Marfleet) Limited	England	Ordinary	100%	Steel stockholder
Boston Steels Limited	England	Ordinary	100%	Steel stockholder
Kass (Steel Stockholders) Limited	England	Ordinary	100%	Steel stockholder
Newark Steel Limited	England	Ordinary	100%	Steel stockholder
C F Struthers Limited	England	Ordinary	30%	Steel fabrication

There is no requirement for the company to produce consolidated accounts as it fulfills the criteria relating to a medium sized group.

	<u>Mancells (Marfleet) Limited</u>	<u>Boston Steels Limited</u>	<u>Kass (Steel Stockholders) Limited</u>	<u>Newark Steel Limited</u>	<u>CF Struthers Limited</u>
Profit for latest financial year	£14,696	£35,054	£43,021	£34,855	£70,836
Net assets at end of latest financial year were:					
Share capital	1,000	1,000	1,000	100	60,000
Capital reserve	-	-	-	-	1,640
Profit and loss account	<u>142,309</u>	<u>138,014</u>	<u>189,363</u>	<u>64,083</u>	<u>820,375</u>
	<u>£143,309</u>	<u>£139,014</u>	<u>£190,363</u>	<u>£64,183</u>	<u>£882,015</u>
Company's share of net assets using the equity method	<u>£143,309</u>	<u>£139,014</u>	<u>£190,363</u>	<u>£64,183</u>	<u>£264,604</u>

STRUTHERS AND CARTER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

	1994	1993
10 STOCKS	£1,738,971	£1,370,872
Finished goods		
11 DEBTORS	1,464,025	1,787,748
Trade debtors	45,284	119,490
Other debtors and prepayments	<u>447,766</u>	<u>239,173</u>
Amounts due from subsidiary undertakings	1,957,075	2,146,411
Amounts due after more than one year:		
ACT recoverable	<u>855,136</u>	<u>6,000</u>
Loans due from subsidiary undertakings (see note 13(2))	<u>£2,812,211</u>	<u>£2,982,411</u>
12 CREDITORS: Amounts falling due within one year	467,877	450,099
Bank overdraft	1,164,695	1,163,810
Trade creditors	34,148	67,033
Accruals	72,176	73,535
Other taxation and social security	36,400	24,000
Proposed dividend	42,323	78,812
Corporation tax payable	5,500	6,000
ACT payable	31,827	15,744
Finance leases	5,936	-
Amounts due to subsidiary undertakings	<u>2,744</u>	<u>-</u>
Amount due to related undertaking	<u>£1,863,626</u>	<u>£1,879,033</u>

The bank overdraft is secured by way of fixed mortgages on the company's freehold properties, together with fixed and floating charges over the company's undertakings.

	1994	1993
13 CREDITORS: Amounts falling due after more than one year	28,716	22,302
(1) Finance leases	<u>350,000</u>	<u>247,856</u>
Amount due to related undertaking	<u>£378,716</u>	<u>£270,158</u>

(2) Struthers and Carter Limited has indicated that it will not seek repayment of the loans due from the subsidiary undertakings within one year.

The related undertaking has indicated that it will not seek repayment of the loan due from Struthers and Carter Limited within one year.

STRUTHERS AND CARTER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

14 PROVISIONS FOR LIABILITIES AND CHARGES

	1994		1993	
	Potential liability	Provision made	Potential (asset)/liability	Provision made
Corporation tax deferred by:				
Capital allowances	1,343	1,343	(11,062)	-
Other timing differences	<u>4,713</u>	<u>4,713</u>	<u>7,929</u>	-
	6,056	6,056	(3,133)	-
Advance corporation tax	<u>(5,500)</u>	<u>(5,500)</u>	-	-
	£556	£556	£(3,133)	£-
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

15 LEASE OBLIGATIONS

	1994	1993
Finance leases due:		
Under one year	35,595	17,547
Between two and five years	<u>32,878</u>	<u>24,858</u>
	68,473	42,405
	<u>(7,930)</u>	<u>(4,359)</u>
Finance charges	£60,543	£38,046
	<u>=====</u>	<u>=====</u>

The capital amounts due under finance lease obligations are as follows:

Falling due within one year (note 12)	31,827	15,744
Falling due after more than one year (note 13)	<u>28,716</u>	<u>22,302</u>
	£60,543	£38,046
	<u>=====</u>	<u>=====</u>

16 CALLED UP SHARE CAPITAL

	1994		1993	
	Number		Number	
Authorised	150,000	£150,000	150,000	£150,000
Ordinary shares of £1 each				
Allotted, called up and fully paid	140,000	£140,000	150,000	£150,000
Ordinary shares of £1 each	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

On 2 March 1994 the company purchased 10,000 (6.67%) of its own shares at a premium of £9 per share.

STRUTHERS AND CARTER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

		<u>1994</u>	<u>1993</u>
17	CAPITAL REDEMPTION RESERVE	<u>£10,000</u>	<u>£-</u>
	Nominal value of own shares purchased		
18	PROFIT AND LOSS ACCOUNT		
	31 December 1993		3,286,261
	Retained profit for year		122,448
	Premium on purchase of own shares		(90,000)
	Transfer to capital redemption reserve		<u>(10,000)</u>
			£3,308,709
	31 December 1994		<u><u> </u></u>
19	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	<u>1994</u>	<u>1993</u>
	Shareholders' funds at beginning of year	3,444,506	3,336,391
	Profit for the year	158,848	132,115
	Dividends	(36,400)	(24,000)
	Purchase of own shares	<u>(100,000)</u>	<u>-</u>
		£3,466,954	£3,444,506
	Shareholders' funds at balance sheet date	<u><u> </u></u>	<u><u> </u></u>
20	PENSION COMMITMENTS		
	The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge in the accounts in respect of pensions represents contributions payable by the company to the fund and amounted to £123,735 (1993 - £287,723).		
21	NOTES TO THE CASH FLOW STATEMENT	<u>1994</u>	<u>1993</u>
(1)	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	237,931	211,497
	Depreciation charge	118,285	113,042
	Loss/(profit) on sale of tangible fixed assets	33,155	(436)
	(Increase) in stocks	(368,099)	(59,523)
	Decrease/(Increase) in debtors	164,200	(671,702)
	(Increase)/decrease in creditors	<u>(24,679)</u>	<u>764,276</u>
		£160,793	£357,154
	Net cash inflow from operating activities	<u><u> </u></u>	<u><u> </u></u>

STRUTHERS AND CARTER LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

21 NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

- (2) Analysis of changes in cash and cash equivalents during the year

	(449,462)
31 December 1993	<u>(17,883)</u>
Net cash outflow	
31 December 1994	<u>£(467,345)</u>

- (3) Analysis of the balance of cash and cash equivalents as shown in the balance sheet

	<u>1994</u>	<u>1993</u>	<u>Change in year</u>
Cash at bank and in hand	532	637	(105)
Bank overdraft	<u>(467,877)</u>	<u>(450,099)</u>	<u>(17,778)</u>
	<u>£(467,345)</u>	<u>£(449,462)</u>	<u>£(17,883)</u>

- (4) Analysis of changes in financing during the year

	<u>Share capital</u>	<u>Finance leases</u>	<u>Loan due to associate</u>	<u>Total</u>
31 December 1993	150,000	38,046	247,856	435,902
Repayment of financing	-	(25,753)	102,144	76,391
Inception of finance leases	-	48,250	-	48,250
Purchase of own shares	(100,000)	-	-	(100,000)
Premium on purchase of own shares deducted from reserves	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>90,000</u>
31 December 1994	<u>£140,000</u>	<u>£60,543</u>	<u>£350,000</u>	<u>£550,543</u>