

CATTON AND COMPANY LIMITED

ANNUAL REPORT

PERIOD ENDED 25 MARCH 1995

COMPANY NUMBER: 53475



CATTON AND COMPANY LIMITED

ANNUAL REPORT

PERIOD ENDED 25 MARCH 1995

DIRECTORS

A J COOK
N R CARRICK
K J GRAYLEY

SECRETARY

N R CARRICK

REGISTERED OFFICE

Parkway Avenue
Sheffield
S9 4UL

AUDITORS

KPMG
Huddersfield

BANKERS

Barclays Bank Plc
Sheffield

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CATTON AND COMPANY LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the 52 week period ended 25 March 1995.

1 REVIEW OF THE BUSINESS

The company did not trade during the period.

On 29 April 1995 the company transferred in the business, assets and liabilities of the Catton division of William Cook Cast Products Limited, a fellow subsidiary company, and began to trade in the manufacture and sale of castings in carbon, alloy and stainless steels.

2 DIRECTORS

On 23rd December 1994 Mr K Musgrove resigned and Mr N R Carrick was appointed a director. On 1 May 1995 Mr K J Grayley was appointed a director.

The directors at the end of the period had no interests in the shares of the company. Mr A J Cook's interest in the share capital of the ultimate holding company is disclosed in the accounts of that company. No other directors hold any shares.

Under the Articles of Association the directors are not required to retire by rotation.

3 STATUS

The company is not a close company under the provisions of the Income and Corporation Taxes Act 1988.



On behalf of the board

A J Cook
Director

9 June 1995
Sheffield

CATTON AND COMPANY LIMITED

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 the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They also have a general responsibility for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF CATTON AND COMPANY LIMITED

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described above 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 affairs of the company at 25 March 1995 and have been properly prepared in accordance with the Companies Act 1985.

9 June 1995
Huddersfield

KPMG
Chartered Accountants
Registered Auditors

CATTON AND COMPANY LIMITED

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

TURNOVER

Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible assets are depreciated by equal annual instalments over their estimated useful lives:-

Plant, equipment and motor vehicles -	10% to 20%
Computers -	10% to 20%

Government grants in respect of capital expenditure are credited to a grants reserve account and then credited to the profit and loss account over the expected useful life of the related asset.

STOCKS

Stocks are stated at the lower of cost and net realisable value using the first in/first out method.

Cost comprises the direct cost of production and the attributable proportion of all overheads appropriate to location and condition. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

LEASES

Assets acquired under finance leases and hire purchase contracts are capitalised as tangible fixed assets and the obligations to pay future rentals under such leases and contracts are included in creditors. Rentals payable in respect of the finance charge element of the leases and contracts are charged to the profit and loss account so as to apportion fairly such finance charges over the duration of the leases and contracts. Rentals payable under operating leases are charged to the profit and loss account in the year in which they are incurred.

CATTON AND COMPANY LIMITED

ACCOUNTING POLICIES

FOREIGN CURRENCIES

Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Differences arising on translation and on the conversion of ordinary foreign currency transactions during the period are dealt with as part of the profit on ordinary activities.

DEFERRED TAXATION

Provision is made for deferred tax, using the liability method, at the estimated rate of corporation tax when the liabilities are expected to fall due but only where there is reasonable probability that provision will be required in the foreseeable future.

Deferred tax debit balances are only recognised as assets when they are expected to be recoverable without replacement by equivalent debit balances.

RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure on research and development is charged in the profit and loss account in the period in which it is incurred.

PENSION SCHEME ARRANGEMENTS

The cost of providing pensions is calculated using actuarial valuation methods which reflect the long-term costs of providing pensions.

The amount charged to the profit and loss account is calculated so as to spread the cost of pensions over the average remaining service lives of employees.

CATTON AND COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD ENDED 25 MARCH 1995

	<u>Notes</u>	£	Period Ended <u>25 3 95</u> £	£	Period Ended <u>26 3 94</u> £
TURNOVER	1		-		26,422,123
Cost of Sales			-		22,234,463
					<hr/>
GROSS PROFIT			-		4,187,660
Net operating expenses	2		-		2,245,422
					<hr/>
Profit on ordinary activities before interest			-		1,942,238
Interest receivable	4	-	-	7	
Interest payable	5	-	-	(53,514)	
		<hr/>	-	<hr/>	(53,507)
					<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6		-		1,888,731
Tax on profit on ordinary activities	7		-		80,417
					<hr/>
PROFIT FOR THE PERIOD			-		1,808,314
Dividends	8		-		(6,472,357)
					<hr/>
Transfer (from)/to reserves			-		(4,664,043)
					<hr/>

Movements on reserves are set out in note 10 of the accounts.

All recognised gains and losses are included in the profit and loss account.

CATTON AND COMPANY LIMITED

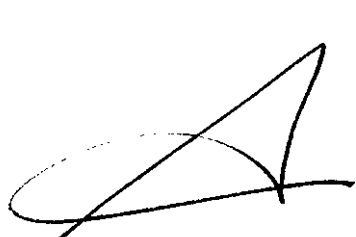

BALANCE SHEET

25 MARCH 1995

	<u>Notes</u>	£	<u>1995</u>	£	£	<u>1994</u>	£
GROUP COMPANY LOAN ACCOUNT			550,000			550,000	
			<u>550,000</u>			<u>550,000</u>	
CAPITAL RESERVES							
Called up share capital	9		550,000			550,000	
Profit and loss account	10		<u>-</u>			<u>-</u>	
			<u>550,000</u>			<u>550,000</u>	

The accounts on page 5 to 11 were approved by the board of directors on 9 June 1995 and signed on its behalf by:

A J Cook
Director

CATTON AND COMPANY LIMITED

NOTES ON ACCOUNTS

PERIOD ENDED 25 MARCH 1995

1 TURNOVER

The company engages in only one class of business.

	<u>1995</u> £	<u>1994</u> £
The analysis of turnover by geographical market was as follows:-		
United Kingdom	-	21,988,810
Europe	-	2,655,565
America	-	1,392,606
Far and Middle East	-	346,130
Other	-	39,012
	<hr/>	<hr/>
	-	26,422,123
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2 NET OPERATING EXPENSES

Distribution costs	-	195,568
Administrative expenses	-	2,049,854
	<hr/>	<hr/>
	-	2,245,422
	<hr/>	<hr/>

3 STAFF COSTS

Wages and salaries	-	7,737,464
Social Security costs	-	627,074
Other pension costs	-	474,500
	<hr/>	<hr/>
	-	8,839,038
	<hr/>	<hr/>

Average number employed in the period:-

	<u>Number</u>	<u>Number</u>
Factory	-	356
Sales and administration	-	73
	<hr/>	<hr/>
	-	429
	<hr/>	<hr/>

4 INTEREST RECEIVABLE

	£	£
Interest on overdue debts	-	-
Bank interest	-	7
	<hr/>	<hr/>
	-	7
	<hr/>	<hr/>

5 INTEREST PAYABLE

On bank and other borrowings repayable within five years	-	53,514
	<hr/>	<hr/>

CATTON AND COMPANY LIMITED

NOTES ON ACCOUNTS

PERIOD ENDED 25 MARCH 1995

6	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1995 £	1994 £
	The profit on ordinary activities before taxation is after charging:-		
	Auditors' remuneration	-	15,000
	Depreciation (including profits and losses on fixed asset disposals)	-	499,583
	Finance charges under finance leases and hire purchase contracts	-	5,817
	Operating lease rentals:-		
	Plant and machinery	-	10,162
	Other	-	925,456
	Other hire of plant and machinery	-	140,014
		<hr/>	<hr/>
	Directors emoluments (including pension contributions)	-	147,825
	Compensation to director for loss of office	-	30,000
		<hr/>	<hr/>
		-	177,825
		<hr/>	<hr/>
	Directors emoluments excluding pension contributions, were as follows:-		
	Chairman	-	-
	Highest paid director	-	70,515
		<hr/>	<hr/>
	Emoluments of other directors fell within the following ranges:-	<u>Number</u>	<u>Number</u>
	£ - £ 5,000	1	1
	£ 5,001 - £10,000	-	-
	£25,001 - £30,000	-	1
	£35,001 - £40,000	-	1
	£40,001 - £45,000	-	-

CATTON AND COMPANY LIMITED

NOTES ON ACCOUNTS

PERIOD ENDED 25 MARCH 1995

	1995 £	1994 £
7 TAX ON PROFIT ON ORDINARY ACTIVITIES		
Corporation tax on the profit for the period at 33%	-	450,000
Adjustments in respect of prior years	-	(518,583)
Deferred taxation	-	149,000
	<hr/>	<hr/>
	-	80,417
	<hr/>	<hr/>

8 DIVIDENDS		
Group dividends paid	-	6,472,357
	<hr/>	<hr/>

9 CALLED UP SHARE CAPITAL

There was no change in share capital during the period.

	<u>Authorised</u> £	<u>Allotted and fully paid</u> £
Ordinary shares of £1 each	650,000	550,000
	<hr/>	<hr/>

10 RESERVES

Profit and Loss Account

25 March 1995 and 26 March 1994

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11 ULTIMATE HOLDING COMPANY

The company is a wholly-owned subsidiary of William Cook plc, a company registered in England and Wales.