

50640

NORCROS INDUSTRIES (EEC) LIMITED

---

FINANCIAL STATEMENTS

31ST MARCH 1989



NORCROS INDUSTRY (EEC) LIMITED

Report of the Directors

for the year ended 31st March 1989

1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company throughout the year has been to act as a management and holding company primarily in relation to other Group subsidiary operating companies in the U.K.

On 31st March 1989 the Company transferred its interests in the share capital of Arcidex Systems Limited (formerly Lowton Metals Limited) and Cego Limited to Cego Industry Limited (formerly John Smith (Keighley) Limited), and its interests in the share capital of the remaining UK operating subsidiary companies to Norcros p.l.c.

2. RESULTS AND DIVIDENDS

The profit for the year after taxation and extraordinary items, amounted to £1,510,000.

It is recommended that this amount be dealt with as follows:

£

Profit for the year after taxation and extraordinary items	1,510,000
Ordinary Dividends	(15,754,000)
	<hr/>
	(14,244,000)
Transfer from Reserves	14,244,000
	<hr/>

3. DIRECTORS

- a) The following members of the Board held office throughout the year:

Mr J.E. Hopkins  
Mr P.J. Jordan  
Mr D. Smith  
Mr P.T. Warry

- b) Mr R.J.L. Watson resigned as a director on 29th April 1988. Mr M.J.C. Derbyshire resigned as a director on 7th June 1988. Mr W.P.N. Graham resigned as a director of 29th July 1988. Mr R.G. Gee resigned as a director on 19th August 1988.
- c) Mr J.E. Hopkins, Mr P.J. Jordan, Mr D. Smith and Mr P.T. Warry are also directors of Norcros p.l.c., and their interests in the shares and debenture stock of Norcros p.l.c. are shown in the Directors' report of that Company.

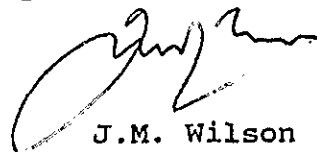
Save in respect of the Norcros p.l.c. Savings Related Share Option Scheme and the Norcros p.l.c. Executive Share Option Schemes, no arrangements to which the Company was a party subsisted at the end of the year or at any time in the year to enable the Directors to acquire any interest by the acquisition of shares or debentures of the Company or any other body corporate.

None of the Directors had a beneficial interest in any significant contract to which the Company either directly or indirectly was a party to during the year.

4. AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the re-appointment of Deloitte Haskins & Sells as Auditors and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

By Order of the Board



J.M. Wilson  
Secretary

Norcros House,  
Bagshot Road,  
Bracknell  
Berkshire,  
RG12 3SW

29th June 1989

REPORT OF THE AUDITORS TO THE MEMBERS OF

NORCROS INDUSTRY (EEC) LIMITED

We have audited the financial statements on pages 4 to 10 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1989 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte Haskins & Sells*

DELOITTE HASKINS & SELLS  
Chartered Accountants

Reading

29th June 1989

NORCROS INDUSTRY (EEC) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1989

	Notes	1989 £'000	1988 £'000
OPERATING PROFIT		-	-
INVESTMENT INCOME	2	1,960	14,057
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,960	14,057
TAXATION	3	(240)	(222)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,720	13,835
EXTRAORDINARY ITEMS	4	(210)	-
		<hr/>	<hr/>
		1,510	13,835
DIVIDENDS		(15,754)	(13,835)
		<hr/>	<hr/>
		(14,244)	-
TRANSFER FROM RESERVES	9	14,244	-
		<hr/>	<hr/>

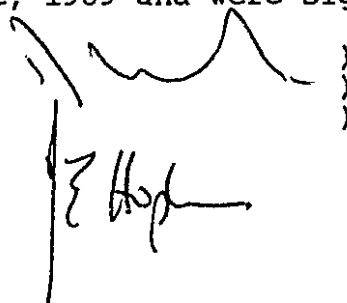
NORCROS INDUSTRY (EEC) LIMITED

BALANCE SHEET

AT 31ST MARCH 1989

	Notes	1989 £'000	1988 £'000
FIXED ASSETS			
Investments	5	-	86,938
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	6	17,284	20,536
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	7	(15,034)	(13,236)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		2,250	7,300
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,250	94,238
		<hr/>	<hr/>
<u>Financed by:-</u>			
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	7	-	77,744
CAPITAL AND RESERVES			
Called up Share Capital	8	2,250	2,250
Revaluation Reserve	9	-	13,261
Profit and Loss Account	9	-	983
		<hr/>	<hr/>
		2,250	94,238
		<hr/>	<hr/>

The accounts on pages 4 to 10 were approved by the board of directors on 29th June, 1989 and were signed on its behalf by:



} Directors

NORCROS INDUSTRY (EEC) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
for the year ended 31st March 1989

	1989 £'000	1988 £'000
<u>SOURCE OF FUNDS</u>		
Profit on ordinary activities before taxation	1,960	14,057
	<hr/>	<hr/>
	1,960	14,057
Extraordinary Items	(210)	-
Proceeds on sale/transfer of investments	29,854	-
	<hr/>	<hr/>
TOTAL SOURCE OF FUNDS	31,604	14,057
	<hr/>	<hr/>
<u>APPLICATION OF FUNDS</u>		
Increase/(Decrease) in Working Capital:-		
(Decrease)/Increase in Debtors	(20,536)	9,350
	<hr/>	<hr/>
	(20,536)	9,350
Tax Paid	240	222
Dividend Paid	13,956	12,599
Acquisition of Subsidiary	-	2,384
Net movement in subsidiary loans	(57,084)	3,524
	<hr/>	<hr/>
TOTAL (SOURCE)/APPLICATION OF FUNDS	(63,424)	28,079
	<hr/>	<hr/>
NET INFLOW/(OUTFLOW) OF FUNDS	95,028	(14,022)
	<hr/>	<hr/>
<u>Provided by:-</u>		
Movement in Parent Company Loan	95,028	(14,022)
	<hr/>	<hr/>

NORCROS INDUSTRY (EEC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1989

1) STATEMENT OF ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared on the historical cost basis of accounting.

ACCOUNTING REFERENCE DATE

All figures have been made up to the 2nd April, 1989.

DEFERRED TAXATION

Deferred taxation, calculated on the liability method, is only provided in respect of liabilities that are expected to crystallise in the foreseeable future.

OVERSEAS CURRENCIES

Assets and liabilities expressed in foreign currencies are translated into sterling at rates applicable at the year end. Exchange gains and losses of a trading nature are dealt with in arriving at the profit before taxation. Other gains and losses which relate to translation of overseas companies net assets and currency borrowings are dealt with through reserves.

2)	INVESTMENT INCOME	1989 £'000	1988 £'000
	Income from shares in subsidiaries	1,960	14,057
		<hr/>	<hr/>

3)	TAXATION	1989 £'000	1988 £'000
----	----------	---------------	---------------

The taxation charge on the profit for the year is comprised as follows:-

Tax credits attributable to dividends received	(240)	(222)
	<hr/>	<hr/>



**NORCROS INDUSTRY (EEC) LIMITED**  
**Notes to the Financial Statements (continued)**

**DEFERRED TAXATION**

No provision has been made for deferred taxation as no liability is expected to arise or become payable in the foreseeable future. The potential liability for all timing differences at 31st March 1989 amounts to £NIL (1988 - £NIL)

4)	EXTRAORDINARY ITEMS	1989 £'000	1988 £'000
	Net Loss on Disposal of Subsidiaries	210	-

5) **FIXED ASSET INVESTMENTS**

	ASSOCIATED COMPANIES		SUBSIDIARIES			Total
	Shares	Loans To Subsid- iaries	Loans From Subsid- iaries	Total Subsid- iaries		
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Cost or Valuation</u>						
At 1.4.88	5,460	24,394	64,090	(7,006)	81,478	86,938
Disposals	-	(6,734)	-	-	(6,734)	(6,734)
Transfers to other Group Companies	(5,460)	(17,660)	(44,590)	8,558	(53,692)	(59,152)
Movement during year	-	-	(19,500)	(1,552)	(21,052)	(21,052)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31.3.89	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

6)	DEBTORS	1989 £'000	1988 £'000
----	---------	---------------	---------------

Amounts falling due within one year:-

Amounts owed by subsidiaries	-	20,536
Loan to Immediate Holding Company	17,284	-
	17,284	20,536

NORCROS INDUSTRY (EEC) LIMITED  
Notes to the Financial Statements (continued)

7)	CREDITORS	1989 £'000	1988 £'000
	Amounts falling due within one year:-		
	Dividend Payable	15,034	13,236
		<hr/>	<hr/>
	Amounts falling due after more than one year:-		
	Loan from immediate holding company	-	77,744
		<hr/>	<hr/>
8)	CALLED-UP SHARE CAPITAL	1989 £'000	1988 £'000
	<u>Authorised</u> 2,500,000 Ordinary Share of £1 each	2,500	2,500
		<hr/>	<hr/>
	<u>Allotted, Called-up and Fully Paid</u> 2,250,000 Ordinary Share of £1 each	2,250	2,250
		<hr/>	<hr/>
9)	RESERVES		Profit and Loss Account £'000
		Revaluation Reserve £'000	
	At 1st April 1988	13,261	983
	Release of Revaluation Reserve on Disposal of subsidiaries and associate company	(13,261)	13,261
	Loss for Year	-	(14,244)
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>

NORCROS INDUSTRY (EEC) LIMITED

Notes to the Financial Statements (continued)

10) DIRECTORS AND EMPLOYEES

Other than directors, who receive no emoluments, the company has no employees.

11) CONTINGENT LIABILITIES

There exists a fixed and floating preferential charge over the assets of the company in respect of the principal and interest of the £5,000,000 15.75% Debenture Stock 1990/1995 issued by the company's ultimate holding company.

12) ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Norcros p.l.c., a company incorporated in Great Britain.

13) GROUP ACCOUNTS

The company is a wholly owned subsidiary of Norcros p.l.c. and group accounts are not required.