

Registered Number 00106289

Cameron Equipment Limited  
Financial Statements  
for the year ended 30 June 2000



# **Cameron Equipment Limited**

## **Contents**

Directors and advisers for the year ended 30 June 2000	1
Directors' report for the year ended 30 June 2000	2
Auditors' report to the members of Cameron Equipment Limited	4
Profit and loss account for the year ended 30 June 2000	5
Balance sheet as at year ended 30 June 2000	6
Accounting policies	7
Notes to the financial statements for the year ended 30 June 2000	9

# **Cameron Equipment Limited**

## **Directors and advisers for the year ended 30 June 2000**

### **Directors**

S A Braycotton

R Gordon (appointed 13 October 1999 and resigned 19 January 2001)

D J Loftus (appointed 28 February 2000)

R J Petersen (appointed 28 February 2000)

G Crick (resigned 22 November 1999)

B M Barrett (resigned 9 December 1999)

A Smee (resigned 16 March 2000)

B J Staines (resigned 16 March 2000)

W Hall (resigned 31 March 2000)

P Daly (appointed 30 October 1999 and resigned on 31 March 2000)

### **Secretary**

D J Stenning

### **Auditors**

PricewaterhouseCoopers

31 Great George Street

BRISTOL

BS1 5QD

### **Registered office**

Albemarle Road

TAUNTON

Somerset

TA1 1BE

# Cameron Equipment Limited

## Directors' report for the year ended 30 June 2000

The directors submit their report and financial statements of the company for the year ended 30 June 2000.

### Principal activities and review of business

During the year the principal activity of the company has been the design and manufacture of machinery for printing, paper handling and general engineering.

On 10 March 2000, the company acquired 52.5% of the issued ordinary share capital of Elite Converting Machinery Limited, which on the same date, changed its name to Elite Cameron Limited. The consideration was settled by way of transfer of business and certain assets to Elite Cameron Limited. The book value of the net assets transferred was £2,422,000. Since the acquisition, the company is no longer taking on any new contracts and is winding down its remaining contracts and operations. Once complete, the company will cease to trade and become an intermediate holding company.

### Results and Dividends

The results for the period are set out on page 5. The directors do not recommend the payment of a dividend (1999: £nil).

The loss for the period transferred from reserves was £2,130,000 (1999 loss: £4,444,000).

### Directors

The directors of the company during the year ended 30 June 2000 and up to the date of this report, are listed on page 1. The directors have no interests in the shares of the company.

D J Loftus and R J Petersen are Directors of the ultimate holding company, Brunel Holdings plc, and their interests are shown in the accounts of that company.

The interests of the remaining directors in the shares of Brunel Holdings plc at 30 June 2000 were as follows:

	Options at 1 July 1999	Lapsed	Granted	Options at 30 June 2000	Subscription Price	Normal Period of Exercise
<b>Executive share option scheme</b>						
S A Braycotton	54,000	-	-	54,000	5.5p	2004-2009
<b>Company share option plan</b>						
S A Braycotton	66,000	-	-	66,000	5.5p	2002-2009

The share options in the Executive Share Option Scheme and the Company Share Option Plan are only exercisable if certain performance criteria are achieved.

The mid market price of Brunel's ordinary shares was 3.75p at 30 June 2000. During the year, it reached a high of 8.25p and a low of 3.25p.

Following the reorganisation of the issued share capital of Brunel Holdings plc in September 2000, the number of shares held or under option as shown above should be reduced by a factor of 23.125:1.

# Cameron Equipment Limited

## Payment policy

The company generally agrees terms and conditions with suppliers before business takes place, and its policy is to pay agreed invoices in accordance with those terms of payment.

At the year end, the company has an average of 139 (1999: 173 days) days purchases outstanding in trade creditors.

## Introduction of the Euro

The company has assessed the potential impact of Economic Monetary Union and at present no specific action is deemed necessary. However, the situation is being monitored on a regular basis.

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2000 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

## Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the next Annual General Meeting.

On behalf of the board



D Loftus  
Director

27 April 2001

# Cameron Equipment Limited

## Auditors' report to the members of Cameron Equipment Limited

We have audited the financial statements on pages 5 to 19.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

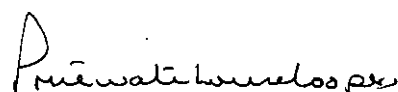
### Basis of audit opinion

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 at 30 June 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Bristol

27 April 2001

# Cameron Equipment Limited

## Profit and loss account for the year ended 30 June 2000

	Note	2000 £'000	1999 £'000
<b>Turnover</b>	1	<b>1,750</b>	3,453
Cost of sales		<b>(2,425)</b>	(5,235)
<b>Gross loss</b>		<b>(675)</b>	(1,782)
Distribution costs		<b>(576)</b>	(546)
Administrative expenses		<b>(894)</b>	(1,940)
<b>Operating loss</b>	2&3	<b>(2,145)</b>	(4,268)
Interest payable and similar charges	6	<b>(762)</b>	(368)
<b>Loss on ordinary activities before taxation</b>		<b>(2,907)</b>	(4,636)
Taxation	7	<b>777</b>	192
<b>Loss on ordinary activities after taxation and for the financial year</b>	18	<b>(2,130)</b>	(4,444)

Turnover and operating profit is derived from continuing operations.

There is no material difference between the reported profits for the year as stated above and those that would be reported under the unmodified historical cost basis.

## Statement of total recognised gains and losses

	2000 £'000	1999 £'000
<b>Loss for the financial year</b>	<b>(2,130)</b>	(4,444)
Write down of revaluation reserve	-	(253)
<b>Total recognised losses relating to the year</b>	<b>(2,130)</b>	(4,697)

# Cameron Equipment Limited

## Balance sheet at 30 June 2000

	Note	2000 £'000	1999 £'000
<b>Fixed assets</b>			
Tangible assets	8	12	1,150
Intangible assets	9	-	927
Investments in subsidiary undertaking	10	2,452	-
		<b>2,464</b>	<b>2,077</b>
<b>Current assets</b>			
Stocks	11	517	776
Debtors	12	7,064	7,722
Cash at bank and in hand		-	188
		<b>7,581</b>	<b>8,686</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(14,348)</b>	<b>(13,071)</b>
<b>Net current liabilities</b>		<b>(6,767)</b>	<b>(4,385)</b>
<b>Total assets less current liabilities</b>		<b>(4,303)</b>	<b>(2,308)</b>
<b>Creditors: amounts falling due after more than one year</b>	14	<b>-</b>	<b>(8)</b>
<b>Provision for liabilities and charges</b>	15	<b>(431)</b>	<b>(288)</b>
<b>Net liabilities</b>		<b>(4,734)</b>	<b>(2,604)</b>
<b>Capital and reserves</b>			
Called up share capital	17	2,366	2,366
Share premium account	18	206	206
Profit and loss account	18	(7,306)	(5,176)
<b>Total shareholders' deficit (including non-equity interests)</b>	19	<b>(4,734)</b>	<b>(2,604)</b>

The financial statements on pages 5 to 19 were approved by the board of directors on 27/04/01 and were signed on its behalf by:



D Loftus  
Director



# Cameron Equipment Limited

## Accounting policies

### Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings, and in accordance with applicable accounting standards.

The company has a substantial deficiency of shareholders' funds at 30 June 2000 and is dependent on the support of the ultimate holding company in order to meet its liabilities as they fall due. The ultimate holding company has indicated it will continue to provide this support whilst it remains a subsidiary and accordingly these accounts have been prepared on a going concern basis.

The financial statements contain information about Cameron Equipment Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228(2) of the Companies Act 1985 from the requirement to prepare group financial statements as it and its subsidiary undertakings are included in the full consolidation in the consolidated financial statements of its parent, Brunel Holdings plc, a company registered in England and Wales.

### Intangible fixed assets

The cost of acquiring know-how is carried forward when its future recoverability can be foreseen with reasonable certainty. Know-how is amortised over the expected life of products, or the licences as follows:

Licences	20% per annum
Know-how	4% to 20% per annum

Amortisation is provided from the beginning of the year following acquisition and a full year's charge is provided in the year of disposal.

### Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset evenly over its expected useful life in equal annual instalments. The rates of depreciation are as follows:

Freehold buildings	1.5% per annum
Plant and equipment	10% - 33% per annum
Fixtures and fittings	10% - 20% per annum

Depreciation is provided from the beginning of the year following acquisition and a full year's charge is provided in the year of disposal.

In accordance with SSAP 12, no depreciation is provided on freehold land.

### Deferred taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences, which are expected to reverse in the foreseeable future, calculated at the rate at which it is estimated that tax will be payable.

# **Cameron Equipment Limited**

## **Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date, differences arising on translation are taken to the profit and loss account.

## **Stock**

Stock, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition including where appropriate, a proportion of manufacturing and administration overheads. Provisions are made for losses incurred or expected to be incurred on contracts not yet completed at the year end.

## **Long term contracts**

Amounts recoverable on long term contracts are stated at the net sales value of work done, less amounts receivable as progress payments on account, and are included in debtors.

Progress payments in excess of work done are included in creditors as payments in advance.

Attributable profit on long term contracts is apportioned to accounting periods in the same ratio as the ratio of costs incurred to date on the contract to total contract costs to completion.

## **Pension costs**

The company does not operate its own independent pension fund but is a member of the Brunel Holdings scheme, this is a defined benefit scheme where pension contributions for individual companies are based on pension costs across the group.

Additional details of the scheme, as required to be disclosed under SSAP24, are given in the notes to the financial statements of Brunel Holdings plc.

## **Leasing and hire purchase commitments**

Tangible fixed assets financed by leasing agreements that give rights approximating to ownership (finance leases) are capitalised and the outstanding capital element of lease instalments is shown in creditors.

Depreciation on such assets and the interest element of the leasing payments are charged to the profit and loss account in the year in which they arise.

Rentals paid under operating leases are charged to the profit and loss account in the year in which they arise.

# Cameron Equipment Limited

## Notes to the financial statements for the year ended 30 June 2000

### 1 Turnover

Turnover comprises amounts receivable in the ordinary course of business in respect of goods sold and services provided to third parties, excluding Value Added Tax.

	2000	1999
	£'000	£'000
The geographical analysis of turnover is as follows:		
UK	173	445
Europe	197	638
Americas	1,039	2,330
Asia	320	30
Africa	20	8
Australia	1	2
	1,750	3,453

### 2 Operating loss

	2000	1999
	£'000	£'000
Operating loss is stated after charging/(crediting):		
Depreciation		
- owned assets	73	873
- under finance leases	10	27
Amortisation of intangible assets	47	70
Auditors' remuneration	8	14
Loss/(profit) on disposal of fixed assets	71	(86)
Operating lease rentals – hire of plant and machinery	31	40

# Cameron Equipment Limited

## 3 Exceptional items

	2000	1999
	£'000	£'000
The following exceptional items have been charged in arriving at operating loss:		
Restructuring costs (1)	493	288
Revaluation of freehold land and buildings (2)	-	747
	493	1,035

- (1) Redundancy payments and restructuring costs incurred due to the curtailment of operations following the acquisition of Elite Cameron Limited. (1999: Redundancy payments and restructuring costs incurred due to the merger of the company's business operations with those of TH Dixon Limited).
- (2) The freehold land and buildings has been written down by £1million following a valuation by GVA Grimley during the year on a current market value basis rather than an existing use basis. The revaluation reserve brought forward at 1 June 1998 amounted to £253,000 and therefore £747,000 of the write down has been charged to the profit and loss account in 1999.

## 4 Employee information

The total remuneration of the company's employees (including directors) during the year was:

	2000	1999
	£'000	£'000
Wages and salaries	1,258	2,767
Social security costs	127	237
Other pensions costs	51	102
	1,436	3,106

The average number of persons employed by the company was:

Manufacturing	20	70
Administration	22	35
	42	105

# Cameron Equipment Limited

## 5 Directors' emoluments

	2000	1999
	£'000	£'000
Aggregate emoluments	100	123

One (1999: Six) of the directors have benefits accruing under a defined benefit scheme.

The emoluments of Mr B M Barrett, Mr D J Loftus and Mr R J Petersen were paid by and disclosed in the financial statements of Brunel Holdings plc.

In addition to the above, £nil (1999: £65,000) was paid to a third party – Postern Executive Group Limited for the services of Mr G Crick.

None of the directors exercised any share options during the year.

	2000	1999
	£'000	£'000
Highest paid director:		
Aggregate emoluments	39	39
Accrued pension at end of the year	3	12

## 6 Interest payable and similar charges

	2000	1999
	£'000	£'000
Group interest	6	27
Bank interest	754	323
Finance leases and hire purchase contracts	2	18
	762	368

# Cameron Equipment Limited

## 7 Taxation

	2000	1999
	£'000	£'000
The credit for the year comprises:		
Credit in respect of Group relief	777	192

## 8 Tangible assets

	Freehold land and buildings £'000	Plant and machinery Owned £'000	Leased £'000	Total £'000
<b>Cost or valuation</b>				
At 1 July 1999	865	771	410	2,046
Intra-group transfers	(865)	(223)	(24)	(1,112)
Disposals	-	(493)	(386)	(879)
<b>At 30 June 2000</b>	<b>-</b>	<b>55</b>	<b>-</b>	<b>55</b>
<b>Depreciation</b>				
At 1 July 1999	28	488	380	896
Charge for the year	12	61	10	83
Intra-group transfers	(40)	(79)	(21)	(140)
Disposals	-	(427)	(369)	(796)
<b>At 30 June 2000</b>	<b>-</b>	<b>43</b>	<b>-</b>	<b>43</b>
<b>Net book amount</b>				
<b>At 30 June 2000</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>12</b>
At 30 June 1999	837	283	30	1,150

# Cameron Equipment Limited

## 9 Intangible assets

	Licence Costs £'000	Know- How £'000	Total £'000
<b>Cost</b>			
At 1 July 1999	6	1,452	1,458
Intra-group transfers	(6)	(1,452)	(1,458)
<b>At 30 June 2000</b>	-	-	-
<b>Amortisation</b>			
At 1 July 1999	6	525	531
Amortisation in year	-	47	47
Intra-group transfers	(6)	(572)	(578)
<b>At 30 June 2000</b>	-	-	-
<b>Net book amount</b>			
<b>At 30 June 2000</b>	-	-	-
At 30 June 1999	-	927	927

## 10 Investments

	£'000
At 1 July 1999	-
Additions	2,452
<b>At 30 June 2000</b>	<b>2,452</b>

On 10 March 2000 the company acquired 52.5% of the issued ordinary share capital of Elite Converting Machinery Limited, a company incorporated in the United Kingdom, which on the same date changed its name to Elite Cameron Limited. The consideration was settled by way of transfer of business and certain assets to Elite Cameron Limited. The book value of net assets transferred was £2,452,000.

The statutory accounts for the 13 months ending 30 June 2000 show capital and reserves of £2,420,000 and a retained loss for the period of £30,000.

# Cameron Equipment Limited

## 11 Stocks

	2000 £'000	1999 £'000
Raw materials and consumables	-	86
Work in progress	517	415
Finished goods	-	275
	517	776

## 12 Debtors

	2000 £'000	1999 £'000
Trade debtors	738	465
Amounts recoverable on contracts	-	529
Amounts owed by fellow subsidiary undertakings	6,131	6,419
Other debtors	90	195
Prepayments and accrued income	105	114
	7,064	7,722

## 13 Creditors: Amounts falling due within one year

	2000 £'000	1999 £'000
Bank overdraft	12,261	9,877
Payments on account	89	86
Trade creditors	924	1,407
Amounts owed to parent undertaking	285	615
Amounts owed to fellow subsidiary undertakings	373	120
Other tax and social security	2	47
Other creditors	1	18
Obligations under finance leases	8	17
Accruals and deferred income	405	884
	14,348	13,071

The bank overdraft is secured against assets of the Brunel Group and is repayable on demand.



# Cameron Equipment Limited

## 14 Creditors: Amounts falling due after more than one year

	2000	1999
	£'000	£'000
Obligations under finance leases		
Amounts repayable:		
Between 1 & 2 years	-	8
	-	8

## 15 Provisions for liabilities and charges

	Contract warranties £'000	Other £'000	Total £'000
At 1 July 1999	262	26	288
Utilised	(7)	(26)	(33)
Released	(50)	-	(50)
Additional provision	226	-	-
<b>At 30 June 2000</b>	<b>431</b>	<b>-</b>	<b>431</b>

### Contract warranties

Contract warranties are recognised for potential warranty claims on contracts performed by the company. It is expected that most of this expenditure will be incurred in the next financial year, and all will be incurred within two years of the balance sheet date.

# Cameron Equipment Limited

## 16 Deferred taxation

	2000	1999
	£'000	£'000
<b>Deferred taxation provided in the accounts comprises:</b>		
Accelerated capital allowances	56	285
Short term timing differences	-	(20)
Losses	(56)	(265)
	-	-
<b>The unprovided amounts of deferred taxation for timing differences are as follows:</b>		
Accelerated capital allowances	-	-
Short term timing differences	-	-
Losses	(2,100)	(191)
	(2,100)	(191)

## 17 Called up share capital

	2000	1999
	£'000	£'000
<b>Authorised</b>		
Ordinary shares of £1 each	2,000,000	2,000,000
Preferred ordinary shares of £1 each	450,000	450,000
	2,450,000	2,450,000
<b>Allotted, issued and fully paid</b>		
Ordinary shares of £1 each	1,915,839	1,915,839
Preferred ordinary shares of £1 each	450,000	450,000
	2,365,839	2,365,839

# Cameron Equipment Limited

## 17 Called up share capital (continued)

The rights attaching to the preferred ordinary shares include:

- i) Income – the holders of the Preferred Ordinary Shares are entitled as a class to cumulative preferential dividend equal to 98% of the profits of the Company available for distribution in respect of each financial year. *Except as set out in the previous sentence, any further profits of the Company shall be applied in paying a dividend to the holders of the Company's Ordinary Shares.*
- ii) Capital – On a return of assets on liquidation or otherwise, a sum equal to 98% of the surplus assets of the Company after the payment of its liabilities shall be paid to the holders of the Preferred Ordinary shares together with a sum equal to any arrears, deficiency or accruals of their cumulative dividends. Thereafter, after the payment of £1 per share to the holders of the Company's Ordinary Shares, any balance remaining shall be distributed amongst the holders of the Preferred Ordinary and Ordinary Shares as if they constituted one class of share.
- iii) Voting – the holders of the Preferred Ordinary Shares have equal rights with the holders of the Ordinary Shares.

The dividend entitlement on the Preferred Ordinary Shares has been waived by the current shareholder, BM Manufacturing Limited, in respect of all years since its acquisition.

## 18 Reserves

	Share premium £'000	Profit and loss account £'000	Total £'000
At 1 July 1999	206	(5,176)	(4,970)
Loss for the year	-	(2,130)	(2,130)
At 30 June 2000	206	(7,306)	(7,100)

# Cameron Equipment Limited

## 19 Reconciliation of movements in shareholders' funds/(deficit)

	2000	1999
	£'000	£'000
Loss for the financial year	(2,130)	(4,444)
Revaluation in freehold land and buildings	-	(253)
Net reduction in shareholders' funds	(2,130)	(4,697)
Opening shareholders' (deficit)/funds	(2,604)	2,093
Closing shareholders' deficit	(4,734)	(2,604)
Represented by:		
Equity interests	(5,184)	(3,054)
Non-equity interests	450	450
	(4,734)	(2,604)

## 20 Financial commitments

At 30 June 2000 the company had annual commitments under non-cancellable operating leases in respect of plant and equipment expiring as follows:

	2000	1999
	£'000	£'000
Within one year	8	27
Within two to five years	23	-

## 21 Capital commitments

Expenditure contracted for but not provided in the financial statements is £nil (1999: £nil).

## 22 Contingent liabilities

The company has given unlimited guarantees in respect of bank liabilities of certain other group companies. As at 30 June 2000, the contingent liabilities in respect of bank borrowing amounted to £1,003,000 (1999: £5,766,000).

The company had at 30 June 2000, outstanding bank guarantees in respect of advance payments and other bonds, totalling £1,706,554 (1999: £1,392,000).

# **Cameron Equipment Limited**

## **23 Ultimate parent undertaking and related party transactions**

The company's ultimate parent undertaking is Brunel Holdings plc which is registered in England and Wales. Brunel Holdings plc is the smallest and largest group into which these financial statements are consolidated. Copies of the group financial statements prepared by the ultimate parent undertaking are available from:

The Company Secretary, Brunel Holdings plc, Avon Reach, Chippenham, Wiltshire, SN15 1EE.

The company has taken advantage of the exemption granted by FRS8 paragraph 3(c), and has not disclosed related party transactions between group companies

## **24 Cash flow statement**

The company has taken advantage of the exemption granted by paragraph 5(a) of Financial Reporting Standard 1, and has not published a cash flow statement.