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THE NORTH BITCHBURN FIRECLAY  
COMPANY LIMITED

31 December 1981



THE NORTH BITCHBURN FIRECLAY COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1981

The directors have pleasure in presenting their report and the audited accounts for the year ended 31 December 1981.

DIRECTORS

The following is a list of all persons who were directors of the company at any time between 1 January 1981 and the date of this report.

J. F. Booth  
J. D. Eastwood  
A. E. Mounsey  
P. J. Rawlins  
O. H. Smith

(Resigned 29 January 1982)

PRINCIPAL ACTIVITY

The principal activity of the company is the manufacture of refractory bricks.

RESULTS AND DIVIDEND

The profit and loss account shows a profit for the year available for distribution, £26364 of which will be paid as an interim dividend to the holding company. No final dividend will be recommended by the directors.

EXPORTS

No goods were exported from the United Kingdom during the year.

DIRECTORS' INTERESTS

The interests of the directors, other than those who are also directors of the holding company, in the issued share and loan capital of group companies were as follows:

Hepworth Ceramic Holdings PLC	31 December 1981	1 January 1981
Ordinary shares of 25p each		
A.E. Mounsey - Beneficial	8134	8134
- As Trustee	-	5000

THE NORTH BITCHBURN FIRECLAY COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1981  
(continued)

AUDITORS

The auditors, Frank, Brown & Walford, offer themselves for re-  
appointment.

By Order of the Board

M. H. BARTON  
Secretary

17 March 1982

Registered Office

Hazlehead  
Stocksbridge  
Sheffield S30 5HG

Frank, Brown & Walford  
Russell House  
Russell Street  
Stockton-on-Tees  
Cleveland TS18 1NT

AUDITORS' REPORT TO THE MEMBERS OF  
THE NORTH BITCHBURN FIRECLAY COMPANY LIMITED

We have audited the accounts on pages 4 to 10, in accordance with approved auditing standards.

In our opinion the accounts which have been prepared under the historical cost convention give, under that convention, a true and fair view of the state of the company's affairs at 31 December 1981 and of its profit and source and application of funds for the year then ended and comply with the Companies' Acts 1948 to 1981.

  
FRANK, BROWN & WALFORD

Chartered Accountants

17 March 1982

THE NORTH BITCHBURN FIRECLAY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1981

	Notes	1980
	-----	-----
TURNOVER		£436737    £385581
		-----
PROFIT BEFORE TAXATION	2	32304    32702
TAXATION	3	5940    13500
		-----
PROFIT AFTER TAXATION		26364    19202
RETAINED PROFIT BROUGHT FORWARD		5286    5286
DIVIDEND.		(26364)    (19202)
		-----
RETAINED PROFITS CARRIED FORWARD	8	£ 5286    £ 5286
		=====

THE NORTH BITCHBURN FIRECLAY COMPANY LIMITED

BALANCE SHEET 31 DECEMBER 1981

	Notes		1980
ASSETS EMPLOYED			
FIXED ASSETS	4	71907	76657
CURRENT ASSETS			
Stocks	6	140999	113927
Debtors		49403	47665
Amounts due from group companies		388114	238279
Bank and cash balances		1073	75294
		579589	475165
CURRENT LIABILITIES			
Creditors		56478	51775
Taxation		14000	24000
Dividend		26364	19202
		96842	94977
NET CURRENT ASSETS		482747	380188
		£554654	£456845
FINANCED BY:			
SHARE CAPITAL	7	148500	148500
RESERVES	8	174625	174625
		323125	323125
LOAN FROM FELLOW SUBSIDIARY	9	193529	99220
DEFERRED TAXATION		38000	34500
		£554654	£456845

APPROVED BY THE BOARD ON 17 MARCH 1982

J. D. EASTWOOD

A. E. MOUNSEY

DIRECTORS

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THE NORTH BITCHBURN FIRECLAY COMPANY LIMITED

SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 1981

		1980
SOURCE OF FUNDS		----
Profit before taxation	32304	32702
Depreciation	4750	6364
Profit on sale of fixed assets	-	(1363)
	-----	-----
Proceeds from sale of fixed assets	37054	37703
	-	1938
	-----	-----
FUNDS GENERATED FROM OPERATIONS	37054	39641
Increase in loans from fellow subsidiary	94309	99220
	-----	-----
TOTAL FUNDS GENERATED	£131363	£138861
	-----	-----
APPLICATION OF FUNDS		
Stocks increase/(decrease)	27072	(10277)
Debtors increase	151573	191099
Creditors (increase)/decrease	(5021)	12967
	-----	-----
FUNDS APPLIED IN WORKING CAPITAL	173624	193789
Group relief paid	12758	19500
Dividends paid	19202	66803
	-----	-----
TOTAL FUNDS APPLIED	205584	280092
	-----	-----
INCREASE/(DECREASE) IN NET LIQUID FUNDS	£ 74221	£(141231)
	=====	=====

THE NORTH BITCHBURN FIRECLAY COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1981

1 ACCOUNTING POLICIES

Basis of presentation

The accounts have been prepared under the historical cost convention.

Turnover

Turnover comprises the in price value, excluding value added tax, of goods and services supplied to customers including fellow subsidiaries.

Depreciation and amortisation

The charge is calculated at rates appropriate to write off the net cost of the individual assets from the time they become operational by equal annual instalments over their estimated useful lives, which are principally as follows:

Buildings	- 40 years
Plant and equipment	- 5 or 10 years
Motor cars	- 4 years

Freehold land and houses are not depreciated.

Deferred taxation

Provision is made at current rates for deferred taxation unless there is a reasonable probability that no payment will be made in the foreseeable future.

Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost includes appropriate overheads and is determined on the 'first in first out' basis.

2 PROFIT BEFORE TAXATION

The profit before taxation is arrived at after charging/ (crediting) the following:

	1981	1980
	£	£
Directors' emoluments	NIL	NIL
Depreciation	4750	6364
Hire of plant and machinery	3068	3067
(Profit) on sale of fixed assets	-	(1363)
Auditors' remuneration	690	400
Rents received less outgoings	(11334)	(11647)

THE NORTH BITCHBURN FIRECLAY COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1981 (CONTINUED)

3

TAXATION

	1981	1980
Based on the profit of the year at 52%		
Corporation tax	14000	24000
Deferred tax	(2000)	(8000)
	-----	-----
	12000	16000
Adjustments in respect of prior years	(6060)	(2500)
	-----	-----
	£ 5940	£13500
	=====	=====

The corporation tax charge has been reduced by £2000 (1980 £8000) because of stock relief, the excess of capital allowances over related depreciation charges and other timing differences.

The potential liability for deferred taxation not dealt with in these accounts is as follows:

	1981	1980
	-----	-----
Capital allowances	(2000)	(2500)
Stock relief	-	(5500)
Other timing differences	-	-
	-----	-----
	£(2000)	£(8000)
	=====	=====

4 . FIXED ASSETS

	Freehold land and buildings	Plant equipment and vehicles	Total
	-----	-----	-----
Cost			
At 1 January 1981	63512	76380	139892
Additions	-	-	-
	-----	-----	-----
At 31 December 1981	63512	76380	139892
	-----	-----	-----
Depreciation			
At 1 January 1981	2310	60925	63235
Charge for year	-	4750	4750
	-----	-----	-----
At 31 December 1981	2310	65675	67985
	-----	-----	-----
Net amounts			
At 31 December 1981	£61202	£10705	£71907
	-----	-----	-----
At 31 December 1980	£61202	£15455	£76657
	-----	-----	-----

THE NORTH BITCHBURN FIRECLAY COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1981 (CONTINUED)

4 FIXED ASSETS (continued)

Freehold land and buildings includes non-depreciable assets at cost of £61202 (1980 £61202).

5 CAPITAL COMMITMENTS

No capital expenditure has been authorised by the board which is not provided for in these accounts (1980 £NIL).

6 STOCKS

	1981	1980
	-----	-----
Stores and consumables	11957	9044
Raw materials	29963	59681
Work in progress	7003	7727
Finished goods	92076	37475
	-----	-----
	£140999	£113927
	-----	-----

7 SHARE CAPITAL

	1981	1980
	-----	-----
Ordinary shares of 50p each		
Authorised	£200000	£200000
	-----	-----
Issued and fully paid	£148500	£148500
	-----	-----

8 RESERVES

	1981	1980
	-----	-----
Capital reserve	169339	169339
Retained profits	5286	5286
	-----	-----
	£174625	£174625
	-----	-----

The capital reserve represents pre-acquisition profits of which £48927 is non-distributable.

9 LOAN FROM FELLOW SUBSIDIARY

The loan from the fellow subsidiary is interest free and repayable on demand.

THE NORTH BITCHBURN FIRECLAY COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1981 (CONTINUED)

10 DEBENTURE CHARGE

The undertaking, property and assets of the company are subject to a floating charge as part of the security for the following debenture stock issued by Hepworth Ceramic Holdings PLC:

£6,275,257 (1980 £6,590,616) 10.4% Debenture stock 1992/97  
£4,054,259 (1980 £4,250,564) 7.75% Debenture stock 1988/93

11 ULTIMATE HOLDING COMPANY

The ultimate holding company is Hepworth Ceramic Holdings PLC a company incorporated in Great Britain.