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PEEL JONES COPPER PRODUCTS LIMITED

Directors' Report and Financial Statements

for the year ended 30 April 2005

Registration Number: 929198



**CHIPCHASE MANNERS & CO
CHARTERED ACCOUNTANTS**

384 Linthorpe Road

Middlesbrough

TS5 6HA

Peel Jones Copper Products Limited

Company information

Directors	H R Walduck T H Walduck S H Walduck P B T Rickard S K Duggal
Secretary	S K Duggal
Company number	929198
Registered office	Maynard Foundry Carlin How Saltburn by-the-sea Cleveland TS13 4EY
Auditors	Chipchase Manners & Co 384 Linthorpe Road Middlesbrough TS5 6HA
Bankers	Barclays Bank Plc London Corporate Banking 50 Pall Mall PO Box 15161R London

Peel Jones Copper Products Limited

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Peel Jones Copper Products Limited

Directors' report for the year ended 30 April 2005

The directors present their report and the financial statements for the year ended 30 April 2005.

Principal activity and review of the business

The principal activity of the company during the year under review was the manufacture of high conductivity copper castings for the steel industry.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2005	2004
H R Walduck	-	-
T H Walduck	-	-
S H Walduck	-	-
P B T Rickard	-	-
S K Duggal	-	-

None of the directors held any interest in the company's shares during the year. The interests of H R Walduck, T H Walduck and S H Walduck in the shares of the ultimate parent company are disclosed in the directors' report of that company.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

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

Peel Jones Copper Products Limited

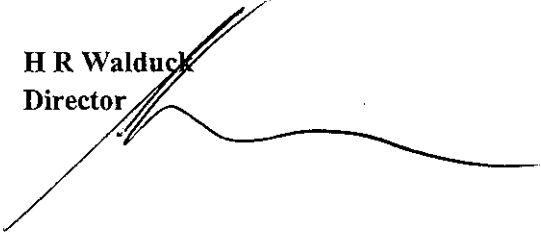
**Directors' report
for the year ended 30 April 2005**

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Chipchase Manners & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 16 November 2005 and signed on its behalf by

**H R Walduck
Director**



Peel Jones Copper Products Limited

Independent auditors' report to the shareholders of Peel Jones Copper Products Limited

We have audited the financial statements of Peel Jones Copper Products Limited for the year ended 30 April 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. 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 with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

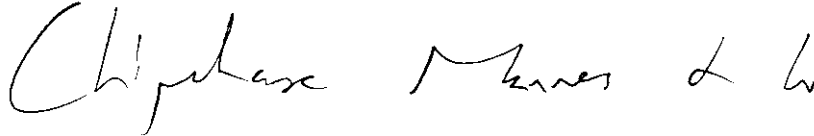
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Peel Jones Copper Products Limited

Independent auditors' report to the shareholders of Peel Jones Copper Products Limited continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2005 and of its loss for the year then ended and have been properly prepared, in accordance with the Companies Act 1985.

A handwritten signature in cursive script, appearing to read 'Chipchase Manners & Co', is written in dark ink.

**Chipchase Manners & Co
Chartered Accountants and
Registered Auditor**

**384 Linthorpe Road
Middlesbrough
TS5 6HA**

16 November 2005

Peel Jones Copper Products Limited

**Profit and loss account
for the year ended 30 April 2005**

		Continuing operations	
		2005	2004
	Notes	£	£
Turnover	3	2,295,175	2,143,517
Cost of sales		(1,655,615)	(1,442,194)
Gross profit		639,560	701,323
Distribution costs		(174,467)	(160,827)
Administrative expenses		(587,520)	(538,734)
Other operating income		443	524
Operating (loss)/profit	4	(121,984)	2,286
Other interest receivable and similar income	5	95	890
Interest payable and similar charges	6	(2,979)	(2,315)
(Loss)/profit on ordinary activities before taxation		(124,868)	861
Tax on (loss)/profit on ordinary activities	9	(666)	1,106
(Loss)/profit on ordinary activities after taxation		(125,534)	1,967
(Loss)/retained profit for the year		(125,534)	1,967
Retained profit brought forward		67,411	65,444
Accumulated (loss)/profit carried forward		(58,123)	67,411

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 14 form an integral part of these financial statements.

Peel Jones Copper Products Limited

**Balance sheet
as at 30 April 2005**

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		534,391		500,850
Current assets					
Stocks	11	756,652		403,502	
Debtors	12	605,783		545,964	
Cash at bank and in hand		87,899		61,196	
		<u>1,450,334</u>		<u>1,010,662</u>	
Creditors: amounts falling due within one year	13	<u>(1,741,624)</u>		<u>(1,144,211)</u>	
Net current liabilities			<u>(291,290)</u>		<u>(133,549)</u>
Total assets less current liabilities			243,101		367,301
Provisions for liabilities and charges	14		<u>(44,124)</u>		<u>(42,790)</u>
Net assets			<u>198,977</u>		<u>324,511</u>
Capital and reserves					
Called up share capital	16		250,000		250,000
Share premium account	17		7,100		7,100
Profit and loss account	17		<u>(58,123)</u>		<u>67,411</u>
Shareholders' funds	18		<u>198,977</u>		<u>324,511</u>

The financial statements were approved by the Board on 16 November 2005 and signed on its behalf by

H R Walduck
Director

T H Walduck
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

Peel Jones Copper Products Limited

Notes to the financial statements for the year ended 30 April 2005

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement.

1.2. Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and excluding value added tax.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over over 50 years years
Plant and machinery	-	15% reducing balance
Fixtures, fittings and equipment	-	15% reducing balance
Motor vehicles	-	25% reducing balance

1.4. Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is valued on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

1.5. Pensions

Contributions in respect of the company's money purchase pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

Peel Jones Copper Products Limited

Notes to the financial statements for the year ended 30 April 2005

..... continued

1.6. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

3. Turnover

A geographical analysis of turnover is not given as the directors are of the opinion that disclosure would prejudice the company's interests.

4. Operating (loss)/profit

	2005	2004
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation and other amounts written off tangible assets	55,368	54,510
Auditors' remuneration	3,600	3,600
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	1,752	(197)
Profit on foreign currencies	(30,114)	(31,846)
	<u> </u>	<u> </u>

Peel Jones Copper Products Limited

**Notes to the financial statements
for the year ended 30 April 2005**

..... continued

5. Interest receivable and similar income	2005	2004
	£	£
Bank interest	95	890
	<u>95</u>	<u>890</u>
6. Interest payable and similar charges	2005	2004
	£	£
Interest payable on bank loans and overdrafts	2,979	2,315
	<u>2,979</u>	<u>2,315</u>
7. Employees		
Number of employees	2005	2004
The average monthly numbers of employees (including the directors) during the year were:		
Production staff	48	40
Office and management	10	10
	<u>58</u>	<u>50</u>
Employment costs	2005	2004
	£	£
Wages and salaries	894,193	762,830
Social security costs	83,826	71,588
Other pension costs	12,201	11,867
	<u>990,220</u>	<u>846,285</u>
7.1. Directors' emoluments	2005	2004
	£	£
Remuneration and other emoluments	85,673	84,271
Pension contributions	5,451	5,451
	<u>91,124</u>	<u>89,722</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

Peel Jones Copper Products Limited

Notes to the financial statements for the year ended 30 April 2005

..... continued

8. Pension costs

The company operates a defined contribution pension scheme in respect of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £12,201 (2004 - £11,867).

9. Tax on (loss)/profit on ordinary activities

Analysis of charge in period	2005 £	2004 £
Current tax		
UK corporation tax	(668)	668
Adjustments in respect of previous periods	-	50
	<u>(668)</u>	<u>718</u>
Total current tax charge	<u>(668)</u>	<u>718</u>
Deferred tax		
Timing differences, origination and reversal	1,334	(1,824)
Total deferred tax	<u>1,334</u>	<u>(1,824)</u>
Tax on (loss)/profit on ordinary activities	<u>666</u>	<u>(1,106)</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 %). The differences are explained below:

	2005 £	2004 £
(Loss)/profit on ordinary activities before taxation	<u>(124,868)</u>	<u>861</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 April 2004 : 30%)	(37,460)	258
Effects of:		
Capital allowances for period in excess of depreciation	(2,865)	410
Utilisation of tax losses	39,657	-
Adjustments to tax charge in respect of previous periods	-	50
Current tax charge for period	<u>(668)</u>	<u>718</u>

Peel Jones Copper Products Limited

**Notes to the financial statements
for the year ended 30 April 2005**

..... continued

10. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 May 2004	335,328	1,207,261	75,934	28,952	1,647,475
Additions	-	104,009	570	8,200	112,779
Disposals	-	(26,760)	(3,814)	(14,745)	(45,319)
At 30 April 2005	<u>335,328</u>	<u>1,284,510</u>	<u>72,690</u>	<u>22,407</u>	<u>1,714,935</u>
Depreciation					
At 1 May 2004	62,133	1,012,429	53,322	18,741	1,146,625
On disposals	-	(6,788)	(3,741)	(10,920)	(21,449)
Charge for the year	3,192	44,958	4,026	3,192	55,368
At 30 April 2005	<u>65,325</u>	<u>1,050,599</u>	<u>53,607</u>	<u>11,013</u>	<u>1,180,544</u>
Net book values					
At 30 April 2005	<u>270,003</u>	<u>233,911</u>	<u>19,083</u>	<u>11,394</u>	<u>534,391</u>
At 30 April 2004	<u>273,195</u>	<u>194,832</u>	<u>22,612</u>	<u>10,211</u>	<u>500,850</u>

11. Stocks	2005 £	2004 £
Raw materials and consumables	205,652	136,502
Work in progress	551,000	267,000
	<u>756,652</u>	<u>403,502</u>

12. Debtors	2005 £	2004 £
Trade debtors	551,360	485,575
Other debtors	36,307	42,581
Prepayments and accrued income	18,116	17,808
	<u>605,783</u>	<u>545,964</u>

Other debtors include a non-interest bearing loan of £800 (2004:£800) to P B T Rickard (director).
The maximum balance in the year was £800 (2004:£800).

Peel Jones Copper Products Limited

**Notes to the financial statements
for the year ended 30 April 2005**

..... continued

13. Creditors: amounts falling due within one year	2005 £	2004 £
Bank overdraft	262,603	356,435
Trade creditors	237,745	155,327
Amounts owed to group undertaking	1,168,124	575,928
Corporation tax	-	668
Other taxes and social security costs	21,558	16,134
Accruals and deferred income	51,594	39,719
	<u>1,741,624</u>	<u>1,144,211</u>

The bank overdraft is secured on all of the company's undertakings and assets. Amounts owed to group undertakings are interest-free and of no fixed term. The companies concerned do not intend to demand payment until the company's financial position improves.

14. Provisions for liabilities and charges

	Deferred taxation (Note 15) £	Total £
At 1 May 2004	42,790	42,790
Movements in the year	1,334	1,334
At 30 April 2005	<u>44,124</u>	<u>44,124</u>

Peel Jones Copper Products Limited

**Notes to the financial statements
for the year ended 30 April 2005**

..... continued

15.	Provision for deferred taxation	2005 £	2004 £	
	Accelerated capital allowances	27,402	25,224	
	Industrial buildings allowances	16,722	17,566	
	Undiscounted provision for deferred tax	<u>44,124</u>	<u>42,790</u>	
	Provision at 1 May 2004	42,790		
	Deferred tax charge in profit and loss account	1,334		
	Provision at 30 April 2005	<u>44,124</u>		
	Deferred taxation is based on a corporation tax rate of 30%.			
16.	Share capital	2005 £	2004 £	
	Authorised			
	250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	
	Allotted, called up and fully paid			
	250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	
17.	Equity Reserves	Share premium account £	Profit and loss account £	Total £
	At 1 May 2004	7,100	67,411	74,511
	(Loss)/retained profit for the year		(125,534)	(125,534)
	At 30 April 2005	<u>7,100</u>	<u>(58,123)</u>	<u>(51,023)</u>
18.	Reconciliation of movements in shareholders' funds	2005 £	2004 £	
	(Loss)/profit for the year	(125,534)	1,967	
	Opening shareholders' funds	324,511	322,544	
	Closing shareholders' funds	<u>198,977</u>	<u>324,511</u>	

Peel Jones Copper Products Limited

**Notes to the financial statements
for the year ended 30 April 2005**

..... continued

19. Capital commitments

There are no capital commitments at the balance sheet date (2004 : £nil).

20. Related party transactions

As a 100% owned subsidiary of The Imperial London Hotels Limited, the company has taken advantage of the exemptions granted under FRS8 not to disclose transactions with entities that are part of the group.

21. Ultimate parent undertaking

The company's ultimate parent company is The Imperial London Hotels Limited, which is the parent of the only group of which the company is a member for which group accounts are drawn up. Copies of these may be obtained from Companies House. The ultimate controlling parties are H R Walduck, T H Walduck and S H Walduck, who are shareholders in, and directors of, the ultimate parent company.

Peel Jones Copper Products Limited

The following pages do not form part of the statutory accounts.

**Detailed trading and profit and loss account
for the year ended 30 April 2005**

	2005		2004	
	£	£	£	£
Sales		2,295,175		2,143,517
Cost of sales				
Opening stock	403,502		436,094	
Purchases	1,328,815		863,426	
Sundry foundry expenses	18,057		15,061	
Wages and salaries	627,473		511,264	
Subcontract labour	34,420		19,851	
	<u>2,412,267</u>		<u>1,845,696</u>	
Closing stock	(756,652)		(403,502)	
		<u>(1,655,615)</u>		<u>(1,442,194)</u>
Gross profit		639,560		701,323
Distribution costs	174,467		160,827	
Administrative expenses	<u>587,520</u>		<u>538,734</u>	
		<u>(761,987)</u>		<u>(699,561)</u>
		<u>(122,427)</u>		<u>1,762</u>
Other operating income				
Rent receivable	<u>443</u>		<u>524</u>	
		<u>443</u>		<u>524</u>
Operating (loss)/profit		<u>(121,984)</u>		<u>2,286</u>
Other income and expenses				
Interest receivable				
Bank deposit interest	<u>95</u>		<u>890</u>	
		<u>95</u>		<u>890</u>
Interest payable				
Bank interest	<u>2,979</u>		<u>2,315</u>	
		<u>(2,979)</u>		<u>(2,315)</u>
Net (loss)/profit for the year		<u><u>(124,868)</u></u>		<u><u>861</u></u>

Peel Jones Copper Products Limited

Distribution costs and administrative expenses for the year ended 30 April 2005

	2005 , £	2004 £
Carriage outwards	63,370	59,818
Agency fees	111,097	101,009
	<u>174,467</u>	<u>160,827</u>
Administrative expenses		
Wages and salaries	225,481	209,054
Directors' remuneration	68,608	67,197
Staff pension costs	12,201	11,867
Holiday pay	56,457	46,903
Rates	16,083	(1,062)
Insurance	41,199	40,374
Light and heat	5,568	4,277
Repairs and maintenance - plant	51,241	59,138
Repairs and maintenance - buildings	7,100	5,434
Printing, postage and stationery	10,786	5,669
Telephone	7,893	6,925
Motor expenses	22,856	18,392
Patent applications	840	740
Travelling and entertainment	14,917	13,512
Legal and professional	1,368	10,270
Audit	3,600	3,600
Bank charges	6,181	3,766
(Profit)/loss on exchange	(30,114)	(31,846)
General expenses	11,639	9,817
Depreciation on freehold property	3,192	3,187
Depreciation on plant and machinery	44,958	43,504
Depreciation on FF & Equipment	4,026	4,418
Depreciation on motor vehicles	3,192	3,401
Losses/(profits) on disposal of tangible assets	(1,752)	197
	<u>587,520</u>	<u>538,734</u>