

**PEEL JONES COPPER PRODUCTS LIMITED**

**Directors' Report and Financial Statements**

**for the year ended 30 April 2003**

**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 2003

The directors present their report and the financial statements for the year ended 30 April 2003.

#### 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	
	2003	2002
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.

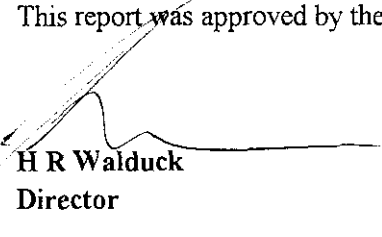
**Peel Jones Copper Products Limited**

**Directors' report  
for the year ended 30 April 2003**

**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 12 November 2003 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 2003 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.

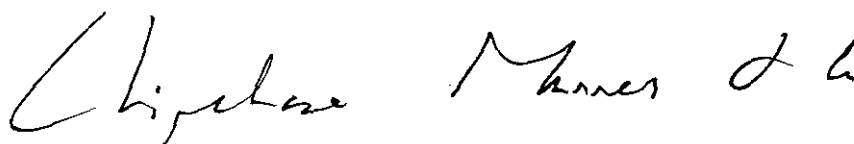
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, reading "Chipchase Manners & Co".

Chipchase Manners & Co  
Chartered Accountants and  
Registered Auditor  
12 November 2003

384 Linthorpe Road  
Middlesbrough  
TS5 6HA

**Peel Jones Copper Products Limited**

**Profit and loss account  
for the year ended 30 April 2003**

		<b>Continuing operations</b>	
		<b>2003</b>	<b>2002</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	2,335,350	2,260,294
<b>Cost of sales</b>		(1,545,839)	(1,428,169)
<b>Gross profit</b>		789,511	832,125
Distribution costs		(162,232)	(137,833)
Administrative expenses		(598,571)	(596,423)
Other operating income		552	393
<b>Operating profit</b>	<b>4</b>	29,260	98,262
Other interest receivable and similar income	5	432	317
Interest payable and similar charges	6	(1,650)	(2,021)
<b>Profit on ordinary activities before taxation</b>		28,042	96,558
Tax on profit on ordinary activities	9	(7,719)	(72,267)
<b>Profit on ordinary activities after taxation</b>		20,323	24,291
<b>Retained profit for the year</b>		20,323	24,291
Retained profit brought forward		45,121	20,830
<b>Retained profit carried forward</b>		65,444	45,121

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 15 form an integral part of these financial statements.

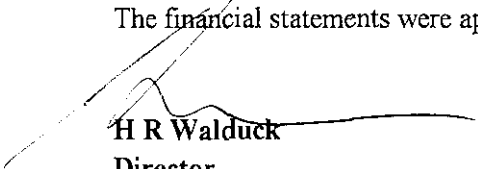


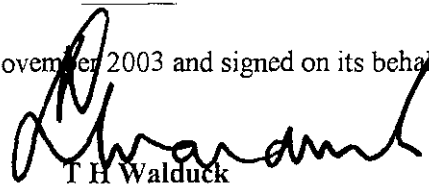
**Peel Jones Copper Products Limited**

**Balance sheet  
as at 30 April 2003**

		<b>2003</b>		<b>2002</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	10		536,203		501,308
<b>Current assets</b>					
Stocks	11	436,094		375,730	
Debtors	12	531,894		522,506	
Cash at bank and in hand		125,212		45,133	
		<u>1,093,200</u>		<u>943,369</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(1,262,245)</u>		<u>(1,099,749)</u>	
<b>Net current liabilities</b>			<u>(169,045)</u>		<u>(156,380)</u>
<b>Total assets less current liabilities</b>			367,158		344,928
<b>Provisions for liabilities and charges</b>	14		<u>(44,614)</u>		<u>(42,707)</u>
<b>Net assets</b>			<u>322,544</u>		<u>302,221</u>
<b>Capital and reserves</b>					
Called up share capital	16		250,000		250,000
Share premium account	17		7,100		7,100
Profit and loss account	17		65,444		45,121
<b>Shareholders' funds</b>	18		<u>322,544</u>		<u>302,221</u>

The financial statements were approved by the Board on 12 November 2003 and signed on its behalf by

  
**H R Walduck**  
Director

  
**T H Walduck**  
Director

The notes on pages 7 to 15 form an integral part of these financial statements.

## **Peel Jones Copper Products Limited**

### **Notes to the financial statements for the year ended 30 April 2003**

#### **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 2003

..... 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 profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	53,021	55,482
Loss on disposal of tangible fixed assets	3,916	(1,610)
Auditors' remuneration	3,270	3,270

Peel Jones Copper Products Limited

Notes to the financial statements  
for the year ended 30 April 2003

..... continued

<b>5. Interest receivable and similar income</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Bank interest	432	317
	<u>432</u>	<u>317</u>
<b>6. Interest payable and similar charges</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Interest payable on bank loans and overdrafts	1,650	1,973
On overdue tax	-	48
	<u>1,650</u>	<u>2,021</u>
<b>7. Employees</b>		
<b>Number of employees</b>	<b>2003</b>	<b>2002</b>
The average monthly numbers of employees (including the directors) during the year were:		
Production staff	44	44
Office and management	10	11
	<u>54</u>	<u>55</u>
<b>Employment costs</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Wages and salaries	851,941	788,065
Social security costs	73,593	69,663
Other pension costs	10,810	10,842
	<u>936,344</u>	<u>868,570</u>

Peel Jones Copper Products Limited

Notes to the financial statements  
for the year ended 30 April 2003

..... continued

7.1. Directors' emoluments

	2003	2002
	£	£
Remuneration and other emoluments	82,317	77,285
Pension contributions	5,451	5,451
	<u>87,768</u>	<u>82,736</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

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 £10,810 (2002 - £10,842).

**Peel Jones Copper Products Limited**

**Notes to the financial statements  
for the year ended 30 April 2003**

..... continued

**9. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax	5,812	29,560
Total current tax charge	<u>5,812</u>	<u>29,560</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	1,907	42,707
Total deferred tax	<u>1,907</u>	<u>42,707</u>
Tax on profit on ordinary activities	<u><u>7,719</u></u>	<u><u>72,267</u></u>

**Factors affecting tax charge for period**

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

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>28,042</u>	<u>96,558</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 April 2002 : 30%)	8,413	28,967
<b>Effects of:</b>		
Capital allowances for period in excess of depreciation	(2,601)	593
Current tax charge for period	<u><u>5,812</u></u>	<u><u>29,560</u></u>

**Peel Jones Copper Products Limited**

**Notes to the financial statements  
for the year ended 30 April 2003**

..... continued

<b>10. Tangible fixed assets</b>	<b>Land and buildings freehold £</b>	<b>Plant and machinery £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 May 2002	325,900	1,118,114	75,805	37,947	1,557,766
Additions	-	93,947	7,135	-	101,082
Disposals	-	(13,200)	-	(7,395)	(20,595)
At 30 April 2003	325,900	1,198,861	82,940	30,552	1,638,253
<b>Depreciation</b>					
At 1 May 2002	55,847	930,277	52,784	17,550	1,056,458
On disposals	-	(2,042)	-	(5,387)	(7,429)
Charge for the year	3,099	40,690	4,495	4,737	53,021
At 30 April 2003	58,946	968,925	57,279	16,900	1,102,050
<b>Net book values</b>					
At 30 April 2003	266,954	229,936	25,661	13,652	536,203
At 30 April 2002	270,053	187,837	23,021	20,397	501,308

<b>11. Stocks</b>	<b>2003 £</b>	<b>2002 £</b>
Raw materials and consumables	112,094	117,730
Work in progress	324,000	258,000
	<u>436,094</u>	<u>375,730</u>

<b>12. Debtors</b>	<b>2003 £</b>	<b>2002 £</b>
Trade debtors	495,999	480,742
Other debtors	18,395	19,591
Prepayments and accrued income	17,500	22,173
	<u>531,894</u>	<u>522,506</u>

Other debtors include a non-interest bearing loan of £800 (2002:£800) to P B T Rickard (director).  
The maximum balance in the year was £800 (2002:£800).

**Peel Jones Copper Products Limited**

**Notes to the financial statements  
for the year ended 30 April 2003**

..... continued

13. Creditors: amounts falling due within one year	2003 £	2002 £
Bank overdraft	358,051	357,545
Trade creditors	139,837	165,565
Amounts owed to group undertaking	686,352	475,042
Corporation tax	5,812	29,560
Other taxes and social security costs	21,346	20,841
Other creditors	9,851	16,739
Accruals and deferred income	40,996	34,457
	<u>1,262,245</u>	<u>1,099,749</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 2002	42,707	42,707
Movements in the year	1,907	1,907
At 30 April 2003	<u>44,614</u>	<u>44,614</u>



Peel Jones Copper Products Limited

Notes to the financial statements  
for the year ended 30 April 2003

..... continued

15. Provision for deferred taxation	2003 £	2002 £
Accelerated capital allowances	26,322	25,017
Industrial buildings allowances	18,292	17,690
Undiscounted provision for deferred tax	<u>44,614</u>	<u>42,707</u>
Provision at 1 May 2002	42,707	
Deferred tax charge in profit and loss account	1,907	
Provision at 30 April 2003	<u>44,614</u>	

Deferred taxation is based on a corporation tax rate of 30%.

16. Share capital	2003 £	2002 £
<b>Authorised</b>		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
<b>Allotted, called up and fully paid</b>		
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 2002	7,100	45,121	52,221
Retained profit for the year		20,323	20,323
At 30 April 2003	<u>7,100</u>	<u>65,444</u>	<u>72,544</u>

18. Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the year	20,323	24,291
Opening shareholders' funds	<u>302,221</u>	<u>277,930</u>
Closing shareholders' funds	<u>322,544</u>	<u>302,221</u>

**Peel Jones Copper Products Limited**

**Notes to the financial statements  
for the year ended 30 April 2003**

..... continued

**19. Capital commitments**

There are no capital commitments at the balance sheet date (2002 : £nil).

**20. Related party transactions**

As a 100% owned subsidiary of The Imperial London Hotels Limited, the company has taken advantage of the exemption 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.