

**PEEL JONES COPPER PRODUCTS LIMITED**

**Directors' Report and Financial Statements**

**for the year ended 30 April 2004**

**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 2004**

The directors present their report and the financial statements for the year ended 30 April 2004.

#### **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:

	<b>Ordinary shares</b>	
	<b>2004</b>	<b>2003</b>
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.

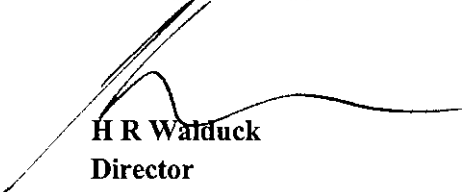
**Peel Jones Copper Products Limited**

**Directors' report  
for the year ended 30 April 2004**

**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 5 November 2004 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 2004 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Chipchase Manners & Co.*

**Chipchase Manners & Co**  
**Chartered Accountants and**  
**Registered Auditor**  
**5 November 2004**

**384 Linthorpe Road**  
**Middlesbrough**  
**TS5 6HA**

**Peel Jones Copper Products Limited**

**Profit and loss account  
for the year ended 30 April 2004**

		<b>Continuing operations</b>	
		<b>2004</b>	<b>2003</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	2,143,517	2,335,350
Cost of sales		(1,442,194)	(1,545,839)
<b>Gross profit</b>		701,323	789,511
Distribution costs		(160,827)	(162,232)
Administrative expenses		(538,734)	(598,571)
Other operating income		524	552
<b>Operating profit</b>	<b>4</b>	2,286	29,260
Other interest receivable and similar income	<b>5</b>	890	432
Interest payable and similar charges	<b>6</b>	(2,315)	(1,650)
<b>Profit on ordinary activities before taxation</b>		861	28,042
Tax on profit on ordinary activities	<b>9</b>	1,106	(7,719)
<b>Profit on ordinary activities after taxation</b>		1,967	20,323
<b>Retained profit for the year</b>		1,967	20,323
Retained profit brought forward		65,444	45,121
<b>Retained profit carried forward</b>		67,411	65,444

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 2004**

		2004		2003	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		500,850		536,203
<b>Current assets</b>					
Stocks	11	403,502		436,094	
Debtors	12	545,964		531,894	
Cash at bank and in hand		61,196		125,212	
		<u>1,010,662</u>		<u>1,093,200</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(1,144,211)</u>		<u>(1,262,245)</u>	
<b>Net current liabilities</b>			<u>(133,549)</u>		<u>(169,045)</u>
<b>Total assets less current liabilities</b>			367,301		367,158
<b>Provisions for liabilities and charges</b>	14		<u>(42,790)</u>		<u>(44,614)</u>
<b>Net assets</b>			<u><u>324,511</u></u>		<u><u>322,544</u></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		<u>67,411</u>		<u>65,444</u>
<b>Shareholders' funds</b>	18		<u><u>324,511</u></u>		<u><u>322,544</u></u>

The financial statements were approved by the Board on 5 November 2004 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 2004**

#### **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 2004

..... 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

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	54,510	53,021
Loss on disposal of tangible fixed assets	197	3,916
Auditors' remuneration	3,600	3,270
	<u>          </u>	<u>          </u>
and after crediting:		
Profit on foreign currencies	(31,846)	-
	<u>          </u>	<u>          </u>

**Peel Jones Copper Products Limited**

**Notes to the financial statements  
for the year ended 30 April 2004**

..... continued

<b>5. Interest receivable and similar income</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank interest	890	432
	<u>890</u>	<u>432</u>
<b>6. Interest payable and similar charges</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Interest payable on bank loans and overdrafts	2,315	1,650
	<u>2,315</u>	<u>1,650</u>
<b>7. Employees</b>		
<b>Number of employees</b>	<b>2004</b>	<b>2003</b>
The average monthly numbers of employees (including the directors) during the year were:		
Production staff	40	44
Office and management	10	10
	<u>50</u>	<u>54</u>
<b>Employment costs</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Wages and salaries	762,830	855,871
Social security costs	71,588	69,663
Other pension costs	11,867	10,810
	<u>846,285</u>	<u>936,344</u>
<b>7.1. Directors' emoluments</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	84,271	82,317
Pension contributions	5,451	5,451
	<u>89,722</u>	<u>87,768</u>
	<b>Number</b>	<b>Number</b>
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 2004

..... 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 £11,867 (2003 - £10,810).

### 9. Tax on profit on ordinary activities

Analysis of charge in period	2004 £	2003 £
<b>Current tax</b>		
UK corporation tax	668	5,812
Adjustments in respect of previous periods	50	-
	<u>718</u>	<u>5,812</u>
Total current tax charge	<u>718</u>	<u>5,812</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(1,824)	1,907
Total deferred tax	<u>(1,824)</u>	<u>1,907</u>
Tax on profit on ordinary activities	<u>(1,106)</u>	<u>7,719</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:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>861</u>	<u>28,042</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 April 2003 : 30%)	258	8,413
<b>Effects of:</b>		
Capital allowances for period in excess of depreciation	410	(2,601)
Adjustments to tax charge in respect of previous periods	50	-
Current tax charge for period	<u>718</u>	<u>5,812</u>

**Peel Jones Copper Products Limited**

**Notes to the financial statements  
for the year ended 30 April 2004**

..... 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 2003	325,900	1,198,861	82,940	30,552	1,638,253
Additions	9,428	8,400	1,369	250	19,447
Disposals	-	-	(8,375)	(1,850)	(10,225)
At 30 April 2004	335,328	1,207,261	75,934	28,952	1,647,475
<b>Depreciation</b>					
At 1 May 2003	58,946	968,925	57,279	16,900	1,102,050
On disposals	-	-	(8,375)	(1,560)	(9,935)
Charge for the year	3,187	43,504	4,418	3,401	54,510
At 30 April 2004	62,133	1,012,429	53,322	18,741	1,146,625
<b>Net book values</b>					
At 30 April 2004	273,195	194,832	22,612	10,211	500,850
At 30 April 2003	266,954	229,936	25,661	13,652	536,203

<b>11. Stocks</b>	<b>2004 £</b>	<b>2003 £</b>
Raw materials and consumables	136,502	112,094
Work in progress	267,000	324,000
	<u>403,502</u>	<u>436,094</u>

<b>12. Debtors</b>	<b>2004 £</b>	<b>2003 £</b>
Trade debtors	485,575	495,999
Other debtors	42,581	18,395
Prepayments and accrued income	17,808	17,500
	<u>545,964</u>	<u>531,894</u>

Other debtors include a non-interest bearing loan of £800 (2003:£800) to P B T Rickard (director).  
The maximum balance in the year was £800 (2003:£800).

**Peel Jones Copper Products Limited**

**Notes to the financial statements  
for the year ended 30 April 2004**

..... continued

<b>13. Creditors: amounts falling due within one year</b>	<b>2004 £</b>	<b>2003 £</b>
Bank overdraft	356,435	358,051
Trade creditors	155,327	139,837
Amounts owed to group undertaking	575,928	686,352
Corporation tax	668	5,812
Other taxes and social security costs	16,134	21,346
Other creditors	-	9,851
Accruals and deferred income	39,719	40,996
	<u>1,144,211</u>	<u>1,262,245</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**

	<b>Deferred taxation (Note 15) £</b>	<b>Total £</b>
At 1 May 2003	44,614	44,614
Movements in the year	1,824	1,824
At 30 April 2004	<u>42,790</u>	<u>42,790</u>

**Peel Jones Copper Products Limited**

**Notes to the financial statements  
for the year ended 30 April 2004**

..... continued

<b>15. Provision for deferred taxation</b>	<b>2004 £</b>	<b>2003 £</b>
Accelerated capital allowances	25,224	26,322
Industrial buildings allowances	17,566	18,292
Undiscounted provision for deferred tax	<u>42,790</u>	<u>44,614</u>
Provision at 1 May 2003	44,614	
Deferred tax charge in profit and loss account	(1,824)	
Provision at 30 April 2004	<u>42,790</u>	

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

<b>16. Share capital</b>	<b>2004 £</b>	<b>2003 £</b>
<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>

<b>17. Equity Reserves</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 1 May 2003</b>	7,100	65,444	72,544
Retained profit for the year		1,967	1,967
<b>At 30 April 2004</b>	<u>7,100</u>	<u>67,411</u>	<u>74,511</u>

<b>18. Reconciliation of movements in shareholders' funds</b>	<b>2004 £</b>	<b>2003 £</b>
Profit for the year	1,967	20,323
Opening shareholders' funds	322,544	302,221
Closing shareholders' funds	<u>324,511</u>	<u>322,544</u>



**Peel Jones Copper Products Limited**

**Notes to the financial statements  
for the year ended 30 April 2004**

..... continued

**19. Capital commitments**

There are no capital commitments at the balance sheet date (2003 : £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 2004**

	<b>2004</b>		<b>2003</b>	
	£	£	£	£
<b>Sales</b>		2,143,517		2,335,350
<b>Cost of sales</b>				
Opening stock	436,094		375,730	
Purchases	863,426		939,589	
Sundry foundry expenses	15,061		16,527	
Wages and salaries	511,264		585,204	
Subcontract labour	19,851		64,883	
	<u>1,845,696</u>		<u>1,981,933</u>	
Closing stock	(403,502)		(436,094)	
		<u>(1,442,194)</u>		<u>(1,545,839)</u>
<b>Gross profit</b>		701,323		789,511
<b>Distribution costs</b>	160,827		162,232	
<b>Administrative expenses</b>	<u>538,734</u>		<u>598,571</u>	
		<u>(699,561)</u>		<u>(760,803)</u>
		1,762		28,708
<b>Other operating income</b>				
Rent receivable	<u>524</u>		<u>552</u>	
		<u>524</u>		<u>552</u>
<b>Operating profit</b>		2,286		29,260
<b>Other income and expenses</b>				
<b>Interest receivable</b>				
Bank deposit interest	<u>890</u>		<u>432</u>	
		890		432
<b>Interest payable</b>				
Bank interest	<u>2,315</u>		<u>1,650</u>	
		<u>(2,315)</u>		<u>(1,650)</u>
<b>Net profit for the year</b>		<u><u>861</u></u>		<u><u>28,042</u></u>

**Peel Jones Copper Products Limited**

**Distribution costs and administrative expenses  
for the year ended 30 April 2004**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Carriage outwards	59,818	62,952
Agency fees	101,009	99,280
	<u>160,827</u>	<u>162,232</u>
<b>Administrative expenses</b>		
Wages and salaries	209,054	220,455
Directors' remuneration	67,197	66,520
Staff pension costs	11,867	10,810
Holiday pay	46,903	53,355
Rates	(1,062)	11,002
Insurance	40,374	41,326
Light and heat	4,277	3,879
Repairs and maintenance - plant	59,138	67,920
Repairs and maintenance - buildings	5,434	4,743
Printing, postage and stationery	5,669	7,246
Telephone	6,925	6,490
Motor expenses	18,392	16,584
Patent applications	740	620
Travelling and entertainment	13,512	9,379
Legal and professional	10,270	4,919
Audit	3,600	3,270
Bank charges	3,766	3,536
(Profit)/loss on exchange	(31,846)	-
General expenses	9,817	9,580
Depreciation on freehold property	3,187	3,099
Depreciation on plant and machinery	43,504	40,690
Depreciation on FF & Equipment	4,418	4,495
Depreciation on motor vehicles	3,401	4,737
Losses/(profits) on disposal of tangible assets	197	3,916
	<u>538,734</u>	<u>598,571</u>