

PEEL JONES COPPER PRODUCTS LIMITED

FINANCIAL STATEMENTS

30 APRIL 1999

Registered number: 929198

CHIPCHASE MANNERS & CO
CHARTERED ACCOUNTANTS
384 Linthorpe Road
Middlesbrough
TS5 6HA



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PEEL JONES COPPER PRODUCTS LIMITED

FINANCIAL STATEMENTS

for the year ended 30 April 1999

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1 and 2
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PEEL JONES COPPER PRODUCTS LIMITED

COMPANY INFORMATION

30 April 1999

INCORPORATED	England
NUMBER	929198
DIRECTORS	H R Walduck (Chairman) T H Walduck S H Walduck P B T Rickard S K Duggal D Green (resigned 31 July 1998)
SECRETARY	S K Duggal
REGISTERED OFFICE	Maynard Foundry Carlin How Saltburn by-the-Sea Cleveland TS13 4EY
BANKERS	Barclays Bank PLC London Corporate Banking 50 Pall Mall P O Box 15161R London SW1A 1QA
AUDITORS	Chipchase Manners & Co Chartered Accountants 384 Linthorpe Road Middlesbrough TS5 6HA

PEEL JONES COPPER PRODUCTS LIMITED

DIRECTORS' REPORT

30 April 1999

The directors present their report and the audited financial statements for the year ended 30 April 1999.

Principal activity

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

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £212,022.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Fixed assets

In the opinion of the directors, there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 8.

Directors

The directors who served during the year are shown on page 1.

Directors' interests

None of the directors shown on page 1 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 director's report of that company.

continued

PEEL JONES COPPER PRODUCTS LIMITED

DIRECTORS' REPORT
(continued)

30 April 1999

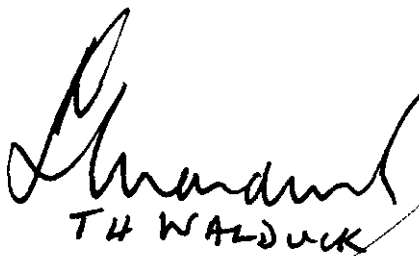
Year 2000 compliance

The directors have considered the risks and uncertainties affecting the business in respect of Year 2000 compliance and are satisfied that there will be no material effect on the company.

Auditors

A resolution to appoint Chipchase Manners & Co. as auditors in accordance with Section 385 of the Companies Act 1985 will be proposed at the forthcoming annual general meeting.

On behalf of the board


T H WALDUCKH R Walduck
Director

Maynard Foundry
Carlin How
Saltburn by-the-Sea
Cleveland

21 December 1999

PEEL JONES COPPER PRODUCTS LIMITED


STATEMENT OF 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

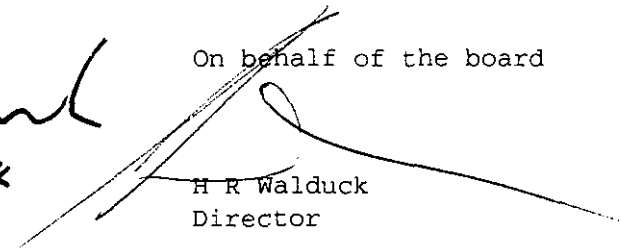
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

21 December 1999


T.H. WALDUCK

On behalf of the board


H R Walduck
Director

PEEL JONES COPPER PRODUCTS LIMITED**AUDITORS' REPORT**

Auditors' report to the members of

Peel Jones Copper Products Limited

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 error or other irregularity. 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 as at 30 April 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chipchase Manners & Co.

21 December 1999

Chipchase Manners & Co
Registered Auditors
Chartered Accountants

PEEL JONES COPPER PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 April 1999

	Note	1999 £	1998 £
Turnover	2	3,439,023	2,755,413
Cost of sales		(2,523,615)	(1,788,126)
Gross profit		915,408	967,287
Net operating expenses			
Distribution costs		(383,389)	(233,259)
Administrative expenses		(681,219)	(701,368)
Other operating income		1,530	1,051
Operating (loss)/profit	3	(147,670)	33,711
Interest payable	6	(3,757)	(3,824)
(Loss)/profit on ordinary activities before taxation		(151,427)	29,887
Taxation	7	(703)	-
(Loss)/profit on ordinary activities after taxation		(152,130)	29,887
retained for the year	16		

Movements in reserves are shown in the notes to the financial statements.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 1999 or 1998 other than the (loss)/profit for the year.

PEEL JONES COPPER PRODUCTS LIMITED

BALANCE SHEET

at 30 April 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	8	489,707	554,800
Current assets			
Stocks	9	262,331	730,483
Debtors	10	941,129	806,450
Cash at bank and in hand		15,381	29,083
		<u>1,218,841</u>	<u>1,566,016</u>
Creditors: amounts falling due within one year	11	<u>(1,496,526)</u>	<u>(1,756,664)</u>
Net current liabilities		<u>(277,685)</u>	<u>(190,648)</u>
Total assets less current liabilities		<u>212,022</u>	<u>364,152</u>
Capital and reserves			
Called up share capital	12	250,000	250,000
Share premium account	13	7,100	7,100
Profit and loss account	16	(45,078)	107,052
Total shareholders' funds	17	<u>212,022</u>	<u>364,152</u>

The financial statements on pages 5 to 12 were approved by the board of directors on 21 December 1999 and signed on its behalf by:

H R Walduck

Directors

T H Walduck



PEEL JONES COPPER PRODUCTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1999

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996).

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 value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold buildings	over 50 years
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	15% reducing balance
Computer	over 5 years
Patterns	25% reducing balance

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed 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.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Pension costs

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 ON FINANCIAL STATEMENTS

30 April 1999

2 Turnover

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

3 Operating (loss)/profit

	1999 £	1998 £
Operating (loss)/profit is stated after crediting:		
Rental income	644	543
Interest receivable	886	508
Profit on foreign exchange	12	-
	<u> </u>	<u> </u>
and after charging:		
Staff costs (note 4)	1,001,277	993,524
Auditors' remuneration	4,000	5,750
Operating leases:		
Hire of plant and machinery	81	81
Loss on sale of assets	2,691	1,982
Loss on foreign exchange	-	463
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 8):		
Owned assets	67,353	63,062
	<u> </u>	<u> </u>

4 Directors and employees

	1999 £	1998 £
Staff costs including directors' emoluments		
Wages and salaries	899,050	890,086
Social security costs	88,088	87,501
Pension costs	14,139	15,937
	<u> </u>	<u> </u>
	1,001,277	993,524
	<u> </u>	<u> </u>
Average monthly number employed including executive directors:	Number	Number
Production staff	46	56
Office and management	11	12
	<u> </u>	<u> </u>
	57	68
	<u> </u>	<u> </u>

PEEL JONES COPPER PRODUCTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1999

4 Directors	£	£
Emoluments	86,775	99,268
Company contributions to money purchase pension schemes	5,937	4,689
	<u>92,712</u>	<u>103,957</u>
During the year the following number of directors accrued retirement benefits under money purchase pension schemes	Number	Number
	<u>2</u>	<u>3</u>

5 Pension scheme

Since 6 April 1998, the company has operated a group money purchase personal pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions to this scheme in the year amounted to £14,139 (1998: £15,937).

Until 6 April 1998 the company operated a contributory defined benefit pension scheme covering its permanent employees.

This scheme was terminated with effect from 6 April 1998 and all remaining funds were credited to the new pension scheme.

6 Interest payable

	1999 £	1998 £
Bank interest	3,757	3,824
	<u>3,757</u>	<u>3,824</u>

7 Taxation

	1999 £	1998 £
Corporation tax on loss on ordinary activities at 30.92% (1998 31%)	-	-
Under provision in earlier years	703	-
	<u>703</u>	<u>-</u>

PEEL JONES COPPER PRODUCTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1999

8 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
30 April 1998	49,173	995,088	51,674	315,729	1,411,664
Additions	-	49,186	2,249	3,221	54,656
Disposals	(9,490)	(47,705)	-	-	(57,195)
30 April 1999	39,683	996,569	53,923	318,950	1,409,125
Depreciation					
30 April 1998	16,897	763,226	33,148	43,593	856,864
Charge for the year	7,134	53,178	4,013	3,028	67,353
Disposals	(4,799)	-	-	-	(4,799)
30 April 1999	19,232	816,404	37,161	46,621	919,418
Net book amount					
30 April 1999	20,451	180,165	16,762	272,329	489,707
30 April 1998	32,276	231,862	18,526	272,136	554,800

9 Stocks

	1999 £	1998 £
Work in progress/finished goods	172,420	649,225
Raw materials and consumables	89,911	81,258
	262,331	730,483

10 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	904,286	697,209
Other debtors	1,089	1,216
Prepayments and accrued income	35,754	108,025
	941,129	806,450

Other debtors include a non-interest bearing loan of £800 (1998: £1,000) to P B T Rickard. The maximum balance in the year was £1,000.

PEEL JONES COPPER PRODUCTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1999

11 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank overdrafts	264,705	455,734
Trade creditors	455,441	575,375
Amounts owed to group undertakings	715,995	635,117
Other taxation and social security	26,304	33,533
Accruals and deferred income	34,081	56,905
	<u>1,496,526</u>	<u>1,756,664</u>

Bank loans and overdrafts are 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.

12 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

13 Share premium account

	1999 £
30 April 1998 and 30 April 1999	<u>7,100</u>

14 Deferred taxation

The company's potential liability in respect of taxation deferred by accelerated capital allowances is £50,000 (1998: £107,500)

PEEL JONES COPPER PRODUCTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1999

15 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 group accounts 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.

16 Profit and loss account

	1999 £
30 April 1998	107,052
Retained loss for the year	(152,130)
	<hr/>
30 April 1999	(45,078)
	<hr/>

16 Related parties

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.

17 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
(Loss)/profit for the financial year representing a Net (subtraction from)/addition to shareholders' funds	(152,130)	29,887
Opening shareholders' funds	364,152	334,265
	<hr/>	<hr/>
Closing shareholders' funds	212,022	364,152
	<hr/>	<hr/>