



# **Leah and Rowbotham Limited**

## **Directors' report and financial statements**

**30 September 1995**

Registered number 2049361

# Leah and Rowbotham Limited

## Directors' report and financial statements

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# Leah and Rowbotham Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 1995.

### Principal activities

The principal activity of the company is that of steel stockholders.

### Business review

Turnover for the year was £1,066,550 representing an increase of 16% over the previous year (1994:£921,539). Profit before tax was £60,088 (1994: (£74,663) loss). The company is expected to remain profitable.

### Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend. A dividend of £70,000 was paid during the year.

After deducting the total ordinary dividends, the loss for the year retained in the company is £24,847.

### Significant changes in fixed assets

Changes to fixed assets are given in note 9.

### Directors and directors' interests

The directors who held office during the year were as follows:

J R Dutton  
F M Makinson

The directors' interests in the ordinary shares of the parent company are disclosed in the directors' report of that company.

# Leah and Rowbotham Limited

## Directors' report

### Auditors

During the year, Alan Partington & Co resigned as auditors to the company and KPMG were appointed to fill a casual vacancy.

In accordance with section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**F M Makinson**  
*Secretary*

Caldershaw Steel Centre  
Ings Lane  
Rochdale  
OL12 7LQ

# Leah and Rowbotham 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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



St James' Square  
Manchester M2 6DS

## Auditors' report to the members of Leah and Rowbotham Limited

We have audited the financial statements on pages 5 to 13.

### *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 other irregularity or error. 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 September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**KPMG**  
Chartered Accountants  
Registered Auditors

24 November 1995

# Leah and Rowbotham Limited

## Profit and loss account for the year ended 30 September 1995

	Note	1995 £	1994 £
<b>Turnover</b>	2	<b>1,066,550</b>	921,539
Cost of sales		<b>(810,614)</b>	(705,217)
<b>Gross profit</b>		<b>255,936</b>	216,322
Distribution expenses		<b>(65,021)</b>	(68,263)
Administrative expenses		<b>(129,759)</b>	(220,934)
<b>Operating profit/(loss)</b>		<b>61,156</b>	(72,875)
Interest payable and similar charges	6	<b>(1,068)</b>	(1,788)
<b>Profit/(loss) on ordinary activities before taxation</b>	2-6	<b>60,088</b>	(74,663)
Tax on profit on ordinary activities	7	<b>(14,935)</b>	-
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>45,153</b>	(74,663)
Dividends paid	8	<b>(70,000)</b>	(360,000)
<b>Retained loss for the financial year</b>		<b>(24,847)</b>	(434,663)

There were no recognised gains or losses other than the profit for the year in either the current or preceding year.



# Leah and Rowbotham Limited

## Balance sheet at 30 September 1995

	Note	1995		1994	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		15,928		32,281
<b>Current assets</b>					
Debtors	10	273,247		258,427	
Cash at bank and in hand		14,454		1,341	
		<u>287,701</u>		<u>259,768</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(88,476)</u>		<u>(52,049)</u>	
<b>Net current assets</b>			<u>199,225</u>		<u>207,719</u>
<b>Net assets</b>			<u>215,153</u>		<u>240,000</u>
<b>Equity capital and reserves</b>					
Called up share capital	13		10,000		10,000
Share premium account	15		131,729		131,729
Profit and loss account	15		<u>73,424</u>		<u>98,271</u>
<b>Equity shareholders funds</b>			<u>215,153</u>		<u>240,000</u>

These financial statements were approved by the board of directors on behalf by:

23 November 1995

and were signed on its

  
J R Dutton  
Director

# Leah and Rowbotham Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

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

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary of Royton Steelstock Limited, and its cash flows are included within the consolidated cash flow statement of that company.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Plant and machinery	-	10% on written down value
Fixtures and fittings	-	10% on written down value
Motor vehicles	-	25% on written down value

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods to customers during the year.

### 2 Analysis of turnover and profit/(loss) on ordinary activities before taxation

All of the company's turnover and profit on ordinary activities before taxation was derived in the UK from its principal activity.

Turnover relates entirely to continuing operations.

# Leah and Rowbotham Limited

## Notes (continued)

### 3 Profit/(loss) on ordinary activities before taxation

	1995 £	1994 £
<i>Profit/(loss) on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit	2,500	700
Depreciation:		
Owned assets	3,742	7,678
Exceptional item - costs of disposal of land and buildings	-	94388

### 4 Remuneration of directors

None of the directors received any remuneration from the company during the current or preceding year.

### 5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1995	1994
Purchasing and sales	1	1
Warehousing and transport	4	4
	<u>5</u>	<u>5</u>

The aggregate payroll costs of these persons were as follows:

	1995 £	1994 £
Wages and salaries	72,245	69,310
Social security costs	6,959	7,038
	<u>79,204</u>	<u>76,348</u>

# Leah and Rowbotham Limited

## Notes (continued)

### 6 Interest payable and similar charges

	1995 £	1994 £
On bank loans, overdrafts and other loans wholly repayable within five years	1,068	1,559
Finance charges payable in respect of finance leases and hire purchase contracts	-	229
	<u>1,068</u>	<u>1,788</u>

### 7 Taxation

	1995 £	1994 £
UK corporation tax at 25% (1994: 25%) on the profit for the year on ordinary activities	<u>14,935</u>	<u>-</u>

### 8 Dividends

	1995 £	1994 £
Ordinary shares:		
Interim	<u>70,000</u>	<u>360,000</u>

# Leah and Rowbotham Limited

## Notes (continued)

### 9 Tangible fixed assets

	Plant and machinery	Fixtures fittings tools and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At beginning of year	24,300	17,218	82,174	123,692
Disposals	-	(12,977)	(43,800)	(56,777)
	<u>24,300</u>	<u>4,241</u>	<u>38,374</u>	<u>66,915</u>
<b>Depreciation</b>				
At beginning of year	18,783	8,869	63,759	91,411
Charge for year	552	232	2,958	3,742
On disposals	-	(6,949)	(37,217)	(44,166)
	<u>19,335</u>	<u>2,152</u>	<u>29,500</u>	<u>50,987</u>
<b>Net book value</b>				
At 30 September 1995	<u>4,965</u>	<u>2,089</u>	<u>8,874</u>	<u>15,928</u>
At 30 September 1994	<u>5,517</u>	<u>8,349</u>	<u>18,415</u>	<u>32,281</u>

### 10 Debtors

	1995 £	1994 £
<b>Amounts payable within one year</b>		
Trade debtors	272,976	256,255
Amounts owed by parent company	172	172
Other debtors	99	-
Prepayments and accrued income	-	2,000
	<u>273,247</u>	<u>258,427</u>

# Leah and Rowbotham Limited

## Notes (continued)

### 11 Creditors: amounts falling due within one year

	1995		1994	
	£	£	£	£
Bank loans and overdrafts		-		993
Trade creditors		-		336
Amounts owed to parent undertaking		60,192		37,542
Other creditors including taxation and social security:				
Corporation tax	14,935		-	
Other taxes and social security	9,149		12,178	
		<u>24,084</u>		<u>12,178</u>
Accruals and deferred income		4,200		1,000
		<u>88,476</u>		<u>52,049</u>

### 12 Provisions for liabilities and charges

The amounts not provided are set out below:

	1995		1994	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and capital allowances	-	3,677	-	4,795
Other timing differences	-	(500)	-	-
	<u>-</u>	<u>3,177</u>	<u>-</u>	<u>4,795</u>

# Leah and Rowbotham Limited

## Notes (continued)

### 13 Called up share capital

	1995 £	1994 £
<i>Authorised</i>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

### 14 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit/(loss) for the financial year	45,153	(74,663)
Dividends	<u>(70,000)</u>	<u>(360,000)</u>
Net reduction in shareholders' funds	(24,847)	(434,663)
Opening shareholders' funds	<u>240,000</u>	<u>674,663</u>
Closing shareholders' funds	<u>215,153</u>	<u>240,000</u>

### 15 Reserves

	Share premium account £	Profit and loss account £
At beginning of year	131,729	98,271
Retained loss for year	-	<u>(24,847)</u>
At end of year	<u>131,729</u>	<u>73,424</u>

# Leah and Rowbotham Limited

## Notes *(continued)*

### 16 **Contingent liabilities**

The company has guaranteed the overdraft of its holding company; the amount outstanding at the year end was £577,641 (1994: £533,074).

### 17 **Ultimate parent company**

The company is a subsidiary undertaking of Royton Steelstock Limited incorporated in the UK and registered in England and Wales.