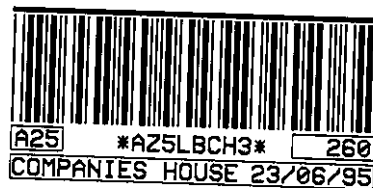


# Seniors Reinforcement Limited

## Report and Accounts

31 January 1995

*Registered Number: 1368331*



# Seniors Reinforcement Limited

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 January 1995.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company cuts, bends, and distributes reinforcing bar to customers' specification for use in reinforced concrete.

Sales increased in the year, and although gross margins were slightly down, profits more than doubled. This was helped by capital investment during the year, both on plant and computer systems, to ensure that the company matched developments as its sister company, Express Reinforcements. Further investment in plant is planned for 1995.

### DIVIDENDS AND APPROPRIATIONS

An interim dividend of £37,000 was paid during the year. The directors propose that a final dividend of £42,000 be paid making a total of £79,000 for the year. Details of the proposed transfer to reserves are given on page 5.

### DIRECTORS

The directors of the company are shown below, together with details of their interests in the shares of the ultimate parent company, C I Group plc, at the beginning and end of the year.

	<i>Shares</i> <i>1995</i>	<i>Options</i> <i>1995</i>	<i>Shares</i> <i>1994</i>	<i>Options</i> <i>1994</i>
S T Armstrong	See below	See below	See below	See below
R W F Yates	See below	See below	See below	See below
P A Evans (appointed 18 April 1994)	-	15,000	* -	* -
B Goldsmith	11,000	20,000	11,000	20,000
R L Payne	4,420	20,000	4,420	20,000

\*At date of appointment

Mr Armstrong and Mr Yates are directors of the ultimate parent company and their interests in the shares of that company are shown in its accounts.

The directors had no interest in the shares of the company.

Mr Evans' options were granted as to 5,000 shares on 29 April 1994 and 10,000 shares on 11 November 1994 at prices of 15.83p and 14.5p per share respectively.

DIRECTORS' REPORT

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**CHANGES IN FIXED ASSETS**

Details are given in note 9 to the accounts.

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The company has maintained insurance against certain liabilities which would arise from a negligent act or breach of duty by its directors or officers in the discharge of their duties.

**RESEARCH AND DEVELOPMENT**

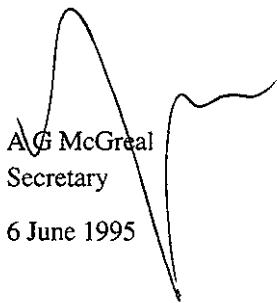
The company is engaged in development activities designed to improve product quality and performance and to maintain and improve competitiveness and profitability.

**AUDITORS**

With effect from 3 October 1994 the company's former auditors, Moores Rowland, resigned and Ernst & Young were appointed by the directors to fill the casual vacancy. Moores Rowland confirmed, for the purposes of Section 394 of the Companies Act 1985, that there were no circumstances connected with their resignation which they considered should be brought to the attention of members or creditors of the company.

A resolution in respect of which special notice has been given to the company in accordance with the provisions of Section 388 (3)(b) of the Companies Act 1985 will be proposed at the Annual General Meeting to re-appoint Ernst & Young as auditors and to authorise the directors to fix their remuneration.

By order of the Board

  
A.G. McGreal  
Secretary

6 June 1995

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the maintenance of adequate accounting records and business controls which disclose with reasonable accuracy at any time the financial position of the company and also for the preparation and publication of accounts in compliance with the Companies Act 1985 giving a true and fair view of the state of affairs of the company as at the end of the financial year and of the result for the year. The directors have general responsibility for the preparation of accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business and 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.

They are of the opinion that all applicable accounting standards have been followed and that suitable accounting policies, supported by reasonable and prudent judgements and estimates have been consistently applied in the preparation of the accounts.

**REPORT OF THE AUDITORS**

to the members of Seniors Reinforcement Limited

We have audited the accounts on pages 5 to 13, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

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

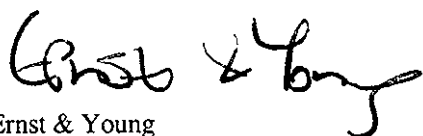
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 January 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Birmingham  
6 June 1995

# Seniors Reinforcement Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 January 1995

	<i>Notes</i>	<i>1995 £000</i>	<i>1994 £000</i>
<b>TURNOVER</b>	2	6,682	4,842
Cost of sales		(6,080)	(4,451)
<b>GROSS PROFIT</b>		602	391
Operating expenses	3	(467)	(375)
<b>OPERATING PROFIT</b>		135	16
Net interest receivable	4	22	26
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	157	42
Taxation	7	(43)	(17)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		114	25
Dividends	8	(79)	(19)
<b>TRANSFER TO RESERVES</b>		35	6
Retained profits brought forward		6	-
<b>RETAINED PROFITS CARRIED FORWARD</b>		41	6

### CONTINUING OPERATIONS

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

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit for the year of £114,000 (1994 - £25,000).

# Seniors Reinforcement Limited

## BALANCE SHEET

at 31 January 1995

	Notes	1995 £000	1994 £000
<b>FIXED ASSETS</b>			
Tangible assets	9	144	49
<b>CURRENT ASSETS</b>			
Stocks	10	843	295
Debtors	11	1,196	636
Cash		693	834
		2,732	1,765
<b>CREDITORS DUE WITHIN ONE YEAR</b>	12	(2,429)	(1,460)
<b>NET CURRENT ASSETS</b>		303	305
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		447	354
<b>CREDITORS DUE AFTER MORE THAN ONE YEAR</b>	13	(205)	(148)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14	(1)	-
		241	206
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	200	200
Profit and loss account		41	6
Equity shareholders' funds	16	241	206

Approved by the Board on 6 June 1995

S T Armstrong )  
 ) Directors  
 B Goldsmith )



NOTES TO THE ACCOUNTS

for the year ended 31 January 1995

1. ACCOUNTING POLICIES

*Basis of accounting*

The accounts are prepared in accordance with applicable accounting standards and under the historical cost convention.

*Tangible fixed assets*

Items of plant and machinery are depreciated at rates based on their assumed lives, which vary between 3 and 10 years, on a straight line method of depreciation.

*Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes direct materials, labour and manufacturing overheads incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

*Deferred taxation*

Deferred taxation is calculated under the liability method on timing differences. Provision is made to the extent that the timing differences are expected to reverse in the foreseeable future.

*Finance leases*

Assets held under leases which confer rights and obligations similar to those attaching to owned assets are capitalised as tangible fixed assets and the corresponding liability to pay rentals is shown net of interest in the accounts as obligations under finance leases. Interest is calculated on the reducing balance basis and is charged over the period of the lease.

*Operating leases*

Operating lease costs are charged against income as incurred.,

*Pensions*

The ultimate parent company operates both defined contribution and defined benefit pension schemes to which the company contributes. The contributions payable to the defined contribution scheme are charged against profit in the accounting period in which they arise. The costs of the defined benefit scheme are charged against profit in accordance with actuarial advice.

*Foreign currencies*

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. All differences are taken to the profit and loss account.

*Comparative figures*

Certain previous year's figures have been restated to conform with the current year's presentation.



# Seniors Reinforcement Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 January 1995

### 2. TURNOVER

Turnover represents goods sold and services provided in the United Kingdom.

### 3. OPERATING EXPENSES

	1995 £000	1994 £000
Distribution costs	270	178
Administrative expenses	197	197
	<u>467</u>	<u>375</u>

### 4. NET INTEREST RECEIVABLE

	1995 £000	1994 £000
Bank interest receivable	23	26
Payable on bank loans repayable within five years	(1)	-
	<u>22</u>	<u>26</u>

### 5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995 £000	1994 £000
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration (1994: Moores Rowland)	3	3
Depreciation of fixed assets	20	34
Hire of plant and machinery including operating leases	16	14
Rental of leased property	15	15
	<u></u>	<u></u>

### 6. DIRECTORS AND OTHER EMPLOYEES

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

	1995 No.	1994 No.
Manufacturing and distribution	20	13
Sales and administration	5	4
	<u>25</u>	<u>17</u>
Their costs during the year were:		
Wages and salaries	299	238
Social security costs	25	20
Other pension costs	18	16
	<u>342</u>	<u>274</u>

## NOTES TO THE ACCOUNTS

for the year ended 31 January 1995

6. DIRECTORS AND OTHER EMPLOYEES (*continued*)

The emoluments of the directors were:

	1995 £000	1994 £000
For services as executives	<u>65</u>	<u>44</u>

The directors' emoluments, excluding pension contributions, include amounts paid to:

Chairman	-	-
Highest paid director	<u>35</u>	<u>35</u>

The emoluments of all directors, excluding pension contributions, fall within the following ranges:

	No.	No.
£0 - £5,000	3	3
£5,001 - £10,000	-	1
£10,001 - £15,000	2	-
£30,001 - £35,000	<u>1</u>	<u>1</u>

Mr Armstrong and Mr Yates are directors of the ultimate parent company, CI Group Plc. Their emoluments are fully disclosed in the accounts of that company and are not included in the figures disclosed above.

Mr Payne was in receipt of a loan during the year, details of which are fully disclosed in the accounts of 'Express Reinforcements Limited', the company's immediate parent company.

## 7. TAXATION

	1995 £000	1994 £000
Corporation tax at 33%	42	17
Deferred taxation	<u>1</u>	<u>-</u>
	<u>43</u>	<u>17</u>

## 8. DIVIDENDS

	1995 £000	1994 £000
Interim paid	37	-
Final proposed	<u>42</u>	<u>19</u>
	<u>79</u>	<u>19</u>

# Seniors Reinforcement Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 January 1995

### 9. TANGIBLE FIXED ASSETS

	<i>Plant and machinery £000</i>
Cost:	
At 1 February 1994	292
Additions	118
Disposals	(23)
At 31 January 1995	<u>387</u>
Depreciation:	
At 1 February 1994	243
Provided during the year	20
Disposals	(20)
At 31 January 1995	<u>243</u>
Net book value:	
At 31 January 1995	<u><u>144</u></u>
At 31 January 1994	<u><u>49</u></u>

### 10. STOCKS

	<i>1995 £000</i>	<i>1994 £000</i>
Raw materials and consumables	<u>843</u>	<u>295</u>

The differences between purchase price or production cost of stocks and their replacement cost is not material.

### 11. DEBTORS

	<i>1995 £000</i>	<i>1994 £000</i>
Trade debtors	1,056	584
Fellow subsidiary undertakings	132	42
Prepayments and accrued income	8	10
	<u>1,196</u>	<u>636</u>

# Seniors Reinforcement Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 January 1995

### 12. CREDITORS DUE WITHIN ONE YEAR

	1995 £000	1994 £000
Bank loans	16	-
Trade creditors	2,257	1,356
Fellow subsidiary undertakings	14	4
Taxation and social security	28	49
Accruals and deferred income	29	13
Corporation tax	43	19
Proposed dividend	42	19
	<u>2,429</u>	<u>1,460</u>

### 13. CREDITORS DUE AFTER MORE THAN ONE YEAR

	1995 £000	1994 £000
Ultimate parent company	148	148
Bank loans	57	-
	<u>205</u>	<u>148</u>

There are no specified terms of repayment for the amount owed to the ultimate parent company.

### 14. PROVISIONS FOR LIABILITIES AND CHARGES

	1995 £000	1994 £000
Deferred taxation at 33% for which full provision has been made		
At 1 February	-	-
Charge for the year	1	-
At 31 January	<u>1</u>	<u>-</u>
The provision comprises:		
Accelerated capital allowances	3	2
Other timing differences	(2)	(2)
	<u>1</u>	<u>-</u>

# Seniors Reinforcement Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 January 1995

### 15. SHARE CAPITAL

	1995 £000	1994 £000
Authorised:		
Ordinary shares of £1 each	250	250
Allotted and fully paid:		
Ordinary shares of £1 each	200	200

### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £000	1994 £000
Profit for the financial year	114	25
Dividends	(79)	(19)
Net movement in shareholders' funds	35	6
Opening shareholders' funds	206	200
Closing shareholders' funds	241	206

### 17. FINANCIAL COMMITMENTS

Annual commitments under operating leases:

	<i>Land and buildings</i>	<i>Plant and machinery</i>	<i>Land and buildings</i>	<i>Plant and machinery</i>
	1995 £000	1995 £000	1994 £000	1994 £000
Leases expiring:				
between one and five years	-	3	-	-
after five years	15	-	15	-

At 31 January 1995 there were no capital commitments or board authorisations (1994 - £Nil).

### 19. PENSIONS

The company contributes to defined contribution and defined benefit pension schemes operated by C I Group plc. Details of the most recent actuarial information about the schemes operated by C I Group plc are contained in its accounts.

The total pension cost in the year was £18,000 (1994 - £16,000) of which £5,000 (1994 - £5,000) was charged in respect of defined benefit schemes, £9,000 (1994 - £9,000) was charged in respect of defined contribution schemes and £4,000 (1994 - £2,000) was paid in respect of other pension related benefits (medical, life and disability insurances).

**NOTES TO THE ACCOUNTS**

for the year ended 31 January 1995

**20. CONTINGENT LIABILITIES**

The company has given an unlimited guarantee to Midland Bank plc in respect of the borrowings of the ultimate parent company and certain fellow subsidiary undertakings amounting to £1,724,000, secured by fixed and floating charges over the company's assets and undertaking.

**21. CASH FLOW INFORMATION**

In view of the exemptions available under FRS 1, no cash flow statement has been prepared because the company is a wholly owned subsidiary of CI Group plc which included a consolidated cash flow statement in its accounts for the year ended 31 January 1995.

**22. ULTIMATE PARENT COMPANY**

The company's parent company is Express Reinforcements Limited and its ultimate parent company is C I Group plc. Both companies are registered in England and Wales. Group accounts are prepared by C I Group plc and are available from Defiant House, Pendeford Office Park, Wobaston Road, Wolverhampton, West Midlands WV9 5HA.