

169316/255

15

REDMAN FISHER ENGINEERING LIMITED

REPORT AND ACCOUNTS

YEAR ENDED

31ST JANUARY 1986

ROBSON RHODES

Chartered Accountants  
Centre City Tower  
7 Hill Street  
Birmingham B5 4UU



REDMAN FISHER ENGINEERING LIMITED

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the company will be held at its registered office, on Monday, 19th May 1986, for the following purposes:-

1. To approve the accounts for the year ended 31st January 1986, together with the reports of the directors and auditors thereon.
2. To declare a dividend.
3. To approve the directors' remuneration.
4. To re-elect Robson Rhodes as auditors.
5. To authorise the directors to fix the auditors' remuneration.
6. To transact any other business of an Annual General Meeting.

Any member entitled to attend and vote may appoint another person (whether a member or not) as his proxy to attend and vote instead of him.

By order of the board

P. MARTIN

Secretary

25th April 1986

REDMAN FISHER ENGINEERING LIMITED

COMPANY INFORMATION

Directors: C. M. Grew - Chairman  
M. D. Davies  
P. Martin  
S. G. Lapper  
S. Williams

Secretary: P. Martin

Registered Office: P. O. Box 12  
Birmingham New Road  
Tipton  
West Midlands  
DY4 9AA

Auditors: Robson Rhodes  
Chartered Accountants  
Centre City Tower  
7 Hill Street  
Birmingham  
B5 4UU

Bankers: Midland Bank plc  
3 Walsall Road  
Darlaston  
Wednesbury  
West Midlands  
WS10 9JP

REDMAN FISHER ENGINEERING LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited accounts of the company for the year ended 31st January 1986.

Principal activities

The principal activity of the company is the design, manufacture and supply of industrial flooring. In addition, pallets and fabrications are manufactured.

Review of the business

During the year, the company showed appreciable growth in business from home and overseas markets, and the financial position at the end of the year was satisfactory.

Results and dividends

The profit for the year is disclosed on page 6.

The directors recommend the payment of a dividend of £185,000 (1985 - £Nil).

Directors

The directors of the company at the date of this report are set out on page 2.

Directors' shareholdings

The directors' interests, as defined by the Companies Act 1985, in the shares of Cooper Industries plc were as follows:-

REDMAN FISHER ENGINEERING LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Directors' shareholdings (continued)

	<u>Ordinary shares of 10p each</u>	
	<u>31st January 1986</u>	<u>31st January 1985</u>
P. Martin	10,000	10,000
S.G. Lapper	20,000	20,000
S. Williams	Nil	Nil

Mr. C. M. Grew and Mr. M.D. Davies are directors of Cooper Industries plc and accordingly details of their holdings are shown in the accounts of that company.

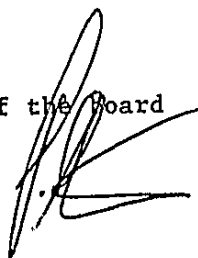
Tangible fixed assets

The movements in tangible fixed assets during the year are set out in note 9 to the accounts on page 13.

Auditors

Robson Rhodes have expressed their willingness to continue in office as auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

By order of the Board



P. MARTIN


Secretary

25th April 1986

REPORT OF THE AUDITORS  
TO THE MEMBERS OF  
REDMAN FISHER ENGINEERING LIMITED

We have audited the financial statements on pages 6 to 16 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st January 1986, and of the profit and source and application of funds for the year ended on that date, and comply with the Companies Act 1985.



ROBSON RHODES

Chartered Accountants

Birmingham

25th April 1986

REDMAN FISHER ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31ST JANUARY 1986

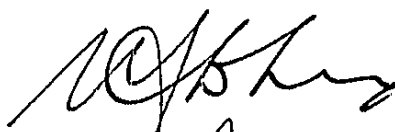

	<u>Note</u>	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
Turnover	2	9,522,215	7,166,057
Cost of sales		(6,374,000)	(4,725,511)
Gross profit		3,148,215	2,440,546
Distribution costs		(499,311)	(372,036)
Administrative expenses		(1,826,666)	(1,382,419)
Operating profit	3	822,238	686,091
Interest receivable	4	61,555	-
Interest payable	5	(48,240)	(31,248)
Profit on ordinary activities before taxation		835,553	654,843
Taxation	8	(6,500)	-
Profit on ordinary activities after taxation		829,053	654,843
Dividend		(185,000)	-
Retained profit	16	£644,053 =====	£654,843 =====

REDMAN FISHER ENGINEERING LIMITED

BALANCE SHEET - 31ST JANUARY 1986

	<u>Note</u>	<u>1986</u> £	<u>1985</u> £
Fixed assets			
Tangible assets	9	463,141	461,301
Investments	10	<u>4,345</u>	<u>4,345</u>
		<u>467,486</u>	<u>465,646</u>
Current assets			
Stocks and work in progress	11	1,041,556	777,278
Debtors	12	2,512,190	2,320,659
Cash at bank and in hand		<u>1,013,299</u>	<u>235,239</u>
		<u>4,567,045</u>	<u>3,333,176</u>
Creditors - Amounts falling due within one year	13	<u>2,751,447</u>	<u>2,163,296</u>
Net current assets		<u>1,815,598</u>	<u>1,169,880</u>
Total assets less current liabilities		2,283,084	1,635,526
Creditors - Amounts falling due after more than one year	14	<u>72,273</u>	<u>68,768</u>
		<u>£2,210,811</u> =====	<u>£1,566,758</u> =====
Capital and reserves			
Called-up share capital	15	1,750,000	1,750,000
Profit and loss account	16	<u>460,811</u>	<u>(183,242)</u>
Shareholders' funds		<u>£2,210,811</u> =====	<u>£1,566,758</u> =====

Approved by the board of directors:

 M. D. DAVIES )  
 )  
 ) Directors  
 )  
 P. MARTIN )

25th April 1986



REDMAN FISHER ENGINEERING LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS YEAR ENDED 31ST JANUARY 1986

	<u>1986</u> £	<u>1985</u> £
Source of funds		
Profit on ordinary activities	835,553	654,843
Adjustment for items not involving the movement of funds -		
Depreciation	122,746	105,661
Profit on sale of tangible fixed assets	<u>(4,637)</u>	<u>(5,930)</u>
Funds generated from operations	953,662	754,574
Other sources		
Leasing finance	47,809	105,768
Sale of tangible fixed assets	<u>5,325</u>	<u>22,130</u>
Total funds generated	<u>1,006,796</u>	<u>882,472</u>
Application of funds		
Payment of leasing rentals	33,000	12,971
Purchase of tangible fixed assets	125,274	317,250
Acquisition of subsidiary company	<u>-</u>	<u>1,000</u>
Total application of funds	<u>158,274</u>	<u>331,221</u>
Increase in working capital	<u>£848,522</u> =====	<u>£551,251</u> =====
Comprising:-		
Increase in current assets:		
Stocks and work in progress	264,278	391,364
Debtors	191,531	941,674
Increase in current liabilities:		
Creditors	(385,347)	(786,295)
Increase in net liquid funds	<u>778,060</u>	<u>4,508</u>
	<u>£848,522</u> =====	<u>£551,251</u> =====

REDMAN FISHER ENGINEERING LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31ST JANUARY 1986

1. Accounting policies

Convention

The accounts have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

a) Turnover

Turnover represents the invoiced sales during the year, excluding value added tax.

b) Depreciation

Plant, machinery and vehicles are depreciated by equal annual instalments over their estimated working lives at rates of 10% or 25% of cost. Leased assets are depreciated by equal instalments over the period of the lease.

c) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

In establishing cost, stocks and work in progress at the end of the year are taken to represent latest purchases or production. On this basis, cost comprises:-

Raw materials:	Purchase price
Work in progress and finished goods:	Raw materials, direct labour and attributable production overheads.

Net realisable value is based on estimated selling price after taking into account all further costs expected to be incurred on completion and disposal.

REDMAN FISHER ENGINEERING LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31ST JANUARY 1986 (CONTINUED)

1. Accounting policies (continued)

d) 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 accounting and taxation purposes. However, provision is made for taxation deferred by reliefs where there is reasonable evidence that no liability will arise in the foreseeable future. In assessing the likelihood of continuing deferment the directors have regard for past investment levels and the extent to which tax allowances will be available on expected future capital expenditure.

e) Investments

Shares in subsidiary companies are stated at cost less any amounts written off.

In accordance with Section 229(2) of the Companies Act 1985, no group accounts have been prepared as the company is a wholly-owned subsidiary of another U.K. company.

f) Foreign currency

Assets and liabilities have been translated into sterling at the rate of exchange ruling at the balance sheet date.

g) Pensions

The company operates a contributory pension scheme to provide retirement benefits based on final salaries for employees. Contributions are charged to the profit and loss account as they are made.

2. Turnover

	<u>1986</u> £	<u>1985</u> £
Geographical analysis of turnover:-		
United Kingdom	7,284,238	4,956,532
Europe	670,263	1,071,030
Middle East	876,620	660,621
Africa	-	10,620
Asia	656,879	466,854
Other	<u>34,215</u>	<u>-</u>
	£9,522,215	£7,166,057
	=====	=====

REDMAN FISHER ENGINEERING LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31ST JANUARY 1986 (CONTINUED)

3. Operating profit

	<u>1986</u>	<u>1985</u>
	£	£
Operating profit is arrived at after charging/(crediting):-		
Depreciation	122,746	105,661
Profit on sale of fixed assets	(4,637)	(5,930)
Auditors' remuneration	6,900	6,200
Directors' emoluments (note 7)	-	-
Hire of plant and machinery	3,706	5,864
	=====	=====

4. Interest receivable

Bank interest	51,215	-
Loan interest	<u>10,340</u>	<u>-</u>
	£61,555	£NIL
	=====	=====

5. Interest payable

Bank interest	5,730	-
Leasing interest	6,811	1,546
Short term loan interest	<u>35,699</u>	<u>29,702</u>
	£48,240	£31,248
	=====	=====

6. Employees

Average number of people (including directors) employed by the company during the year:-

	<u>No. of employees</u>	
Manufacturing and distribution	137	128
Sales and administration	<u>60</u>	<u>51</u>
	<u>197</u>	<u>179</u>

Costs in respect of these employees:-

	£	£
Wages and salaries	1,967,085	1,576,236
Social security costs	218,201	160,775
Pension costs	<u>54,070</u>	<u>52,586</u>
	£2,239,356	£1,789,597
	=====	=====

PEDMAN FISHER ENGINEERING LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31ST JANUARY 1986 (CONTINUED)

6. <u>Directors' emoluments</u>	<u>1986</u> £	<u>1985</u> £
Management remuneration	£NIL =====	£NIL =====
Emoluments excluding pension contributions:-		
Chairman	£NIL =====	£NIL =====
Highest paid director	£NIL =====	£NIL =====
Number of other directors whose emoluments fell within the bands stated:-	<u>No. of directors</u>	
£0 - £5,000	3	4
No contract existed during the year in which a director was materially interested and was significant in relation to the company's business.		
8. <u>Taxation</u>	£	£
Group relief at 40.83%	£6,500 =====	£NIL =====

REDMAN FISHER ENGINEERING LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31ST JANUARY 1986 (CONTINUED)

9. <u>Tangible assets</u>	<u>Leased assets</u>	<u>Machinery and vehicles</u>	<u>Total</u>
Cost	£	£	£
At 1st February 1985	105,768	1,158,312	1,264,080
Additions	47,810	77,464	125,274
Disposals	-	(27,708)	(27,708)
At 31st January 1986	<u>153,578</u>	<u>1,208,068</u>	<u>1,361,646</u>
Depreciation			
At 1st February 1985	17,941	784,838	802,779
Charge for the year	33,408	89,338	122,746
Disposals	-	(27,020)	(27,020)
At 31st January 1986	<u>51,349</u>	<u>847,156</u>	<u>898,505</u>
Net book value			
At 31st January 1986	<u>£102,229</u> =====	<u>£360,912</u> =====	<u>£463,141</u> =====
At 31st January 1985	<u>£87,827</u> =====	<u>£373,474</u> =====	<u>£461,301</u> =====
10. <u>Investments</u>			
Shares at cost:-			£
At 1st February 1985 and 31st January 1986			60,080
Amounts written off:-			
At 1st February 1985 and 31st January 1986			<u>(55,735)</u>
Net book value 31st January 1986			<u>£4,345</u> =====
Net book value 31st January 1985			<u>£4,345</u> =====

REDMAN FISHER ENGINEERING LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31ST JANUARY 1986 (CONTINUED)

10. Investments (continued)

The company owns beneficially the whole of the issued ordinary share capital of the following companies:-

Redman Fisher (Ireland) Limited (registered in Eire)  
Gridway Steel Construction Co. Limited (non-trading)  
Bettles and Company Limited

In the opinion of the directors the value of the investment in subsidiaries is not less than the amount shown in the balance sheet.

11. <u>Stocks and work in progress</u>	<u>1986</u> £	<u>1985</u> £
Raw materials and consumables	504,208	220,624
Work in progress	258,379	199,657
Finished goods	<u>278,969</u>	<u>356,997</u>
	£1,041,556	£777,278
	=====	=====

In the opinion of the directors the replacement cost of stocks does not differ significantly from their balance sheet value.

12. <u>Debtors</u>	£	£
Trade debtors	2,000,901	1,466,723
Amounts owed by subsidiaries	274,082	667,496
Other debtors	201,462	143,347
Prepayments and accrued income	<u>35,745</u>	<u>43,093</u>
	£2,512,190	£2,320,659
	=====	=====

Other debtors include an amount of £86,000 (1985 - £62,000) which is due after more than one year.

The company has subordinated its right to amounts due from its subsidiary Bettles and Company Limited in favour of the external creditors of that company.

REDMAN FISHER ENGINEERING LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31ST JANUARY 1986 (CONTINUED)

13. Creditors - Amounts falling due within one year	<u>1986</u> £	<u>1985</u> £
Trade creditors	1,314,677	999,028
Amounts due to group companies	543,904	519,096
Social security and other taxes	157,253	152,031
Group relief	6,500	-
Other creditors	74,545	103,259
Accruals and deferred income	184,235	115,853
Leasing rentals	35,333	24,029
Short term loan	250,000	250,000
Dividend proposed	<u>185,000</u>	<u>-</u>
	<u>£2,751,447</u> =====	<u>£2,163,296</u> =====

The short term loan is repayable at 3 months' notice and attracts an interest rate of 2% above base rate.

14. Creditors - Amounts falling due after more than one year	£	£
Lease rentals payable over the following periods:-		
Within one year	35,333	24,029
Between one and two years	35,299	24,029
Between two and five years	<u>36,974</u>	<u>44,739</u>
	107,606	92,797
Less:- Amounts payable in the year included in current liabilities	<u>35,333</u>	<u>24,029</u>
	<u>£72,273</u> =====	<u>£68,768</u> =====

15. Called-up share capital

Authorised:-		
Ordinary shares of 50p each	£1,750,000 =====	£1,750,000 =====
Allotted and fully paid:-		
Ordinary shares of 50p each	£1,750,000 =====	£1,750,000 =====



REDMAN FISHER ENGINEERING LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31ST JANUARY 1986 (CONTINUED)

<u>16. Profit and loss account</u>		<u>1986</u>	<u>1985</u>
		<u>£</u>	<u>£</u>
At 1st February 1985		(183,242)	(838,085)
Retained profit		<u>644,053</u>	<u>654,843</u>
At 31st January 1986		<u>£460,811</u>	<u>£(183,242)</u>
		=====	=====
 <u>17. Deferred taxation</u>			
The maximum potential liability at current and future rates of tax is:-			
Accelerated capital allowances		45,000	60,000
Unrelieved trading losses		(45,000)	(60,000)
Potential capital gains		<u>23,000</u>	<u>28,000</u>
		<u>£23,000</u>	<u>£28,000</u>
		=====	=====

The directors consider that no provision for deferred taxation is required.

18. Capital commitments

- a) Orders placed for capital expenditure not provided for in the accounts amount to £Nil (1985 - £Nil).
- b) Capital expenditure authorised by the board amounts to £65,000 (1985 - £41,000).

19. Contingent liabilities

The company has given an unlimited guarantee to Midland Bank plc to secure the borrowings of the Cooper Industries plc group. The bank also has a floating charge over all the company's assets and a fixed charge over the book debts.

The company has a contingent liability of £160,989 in respect of guarantees, performance bonds, and forward exchange contracts outstanding at the balance sheet date.

20. Ultimate holding company

The ultimate holding company is Cooper Industries plc, a company incorporated in England.