

C & P PRODUCTS LIMITED

COMPANIES HOUSE

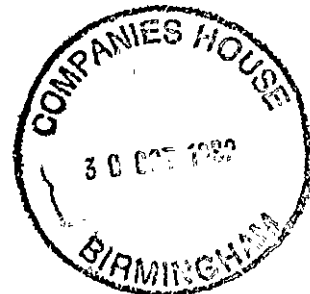
30 OCT 1992

DIRECTORS' REPORT AND ACCOUNTS

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FOR THE YEAR ENDED 31st DECEMBER 1991

(Registered in England, Number 1120648)



C & P PRODUCTS LIMITED**DIRECTORS' REPORT**

The directors present their annual report and accounts for the year ended 31st December 1991.

Review of the business

The principal activity of the company was that of manufacture of pressed and welded assemblies. On 31st May 1991 the trade and assets of the company were transferred to KAB Pressings Limited, and consequently the company ceased to trade on that date.

Results and dividends

The profit on ordinary activities after taxation for the period was £285,640 (1990: £339,126). An extraordinary profit of £1,521,778 (1990: £Nil) resulted from the transfer of its trade and assets to KAB Pressings Limited representing the goodwill of the business.

The company paid dividends of £1,248,741 (1990: £575,417) and the directors propose to transfer the retained profit of £558,677 (1990: retained loss £236,291) to reserves.

Tangible fixed assets

Movements during the year are set out in note 8 to the accounts.

Directors and their interests

The directors of the company had no interest in the share capital of the company at the beginning or end of the year.

Messrs. C.A. Howell and H.R. Lewis are also directors of the holding company and their interests in Bostrom plc are disclosed in the accounts of that company. On 23rd April 1991 the other director, Mr. D.W. Fisher was granted options under the Bostrom plc executive share option scheme in respect of 7,143 shares in Bostrom plc.

Mr. D.H. Tack was a director of the company until his resignation on 30th June 1991.

Liability insurance for company officers


As permitted by Section 137(2) of the Companies Act 1989, the company maintained insurance cover during the year for the directors against liabilities in relation to the company.

C & P PRODUCTS LIMITED**DIRECTORS' REPORT****(continued)****Auditors**

During the year, Clark Whitehill resigned as auditors and KPMG Peat Marwick were appointed in their place.

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming annual general meeting.

By Order of the Board



Secretary

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE MEMBERS OF
C & P PRODUCTS LIMITED

We have audited the accounts on pages 4 to 13 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 1991 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Without qualifying our opinion above, we draw attention to the fact that the accounts do not include a statement of source and application of funds and thus do not comply with Statement of Standard Accounting Practice No. 10.

Birmingham

14th January 1992

KPMG Peat Marwick

Chartered Accountants
Registered Auditor

C & P PRODUCTS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31st DECEMBER 1991**

		12 months ended 31st December 1991 £	6 months ended 31st December 1990 £
	Note		
Turnover	2	1,309,587	1,569,578
Net operating expenses	4	(1,037,182)	(1,320,294)
Operating profit		<u>272,405</u>	<u>249,284</u>
Interest receivable	5	155,524	10,008
Interest payable	6	(289)	(341)
		<u>155,235</u>	<u>9,667</u>
Profit on ordinary activities before taxation		427,640	258,951
Taxation	7	(142,000)	80,175
Profit on ordinary activities after taxation		<u>285,640</u>	<u>339,126</u>
Extraordinary credit being profit on transfer of trade and assets		1,521,778	-
Profit for the financial year		<u>1,807,418</u>	<u>339,126</u>
Dividends paid		(1,248,741)	(575,417)
Retained profit/(loss) for the year	15	<u>558,677</u>	<u>(236,291)</u>

Movements on reserves are shown in notes 14 and 15.

C & P PRODUCTS LIMITED**BALANCE SHEET****AS AT 31st DECEMBER 1991**

	Note	£	1991 £	£	1990 £
Fixed assets					
Tangible assets	8		-		476,608
Current assets					
Stocks	9	-		253,450	
Debtors	10	1,797,281		1,131,185	
Cash at bank and in hand		-		747,191	
		<u>1,797,281</u>		<u>2,131,826</u>	
Creditors: Amounts falling due within one year	11	-		<u>(1,402,530)</u>	
Net current assets			<u>1,797,281</u>		<u>729,296</u>
Total assets less current liabilities			<u>1,797,281</u>		<u>1,205,904</u>
Provision for liabilities and charges	12		(51,500)		(18,800)
Net assets			<u>1,745,781</u>		<u>1,187,104</u>
Capital and reserves					
Called up share capital	13		100		100
Revaluation reserve	14		-		130,901
Profit and loss account	15		1,745,681		1,056,103
			<u>1,745,781</u>		<u>1,187,104</u>

These accounts were approved by the board on 14th January 1992 and signed on its behalf by:

C Atkinson
 (Signature)
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} Directors

C & P PRODUCTS LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st DECEMBER 1991****1. Principal accounting policies****(a) Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards except that they do not include a statement of source and application of funds and thus do not comply with Statement of Standard Accounting Practice No. 10. In the opinion of the directors, no useful purpose would be served by producing a statement of source and application of funds for the company.

The accounts for the year ended 31st December 1991 include the results of five months trading to 31st May 1991. On that date, the company's trade and assets were transferred to KAB Pressings Limited.

(b) Depreciation of tangible assets

Fixed assets are depreciated over their estimated useful lives at rates and bases calculated as follows:

Plant and machinery	- 10% on cost
Computer	- 25% on cost
Motor vehicles	- 25% on cost

(c) Deferred taxation

Deferred taxation, which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax authorities is calculated under the liability method. A provision is made for all timing differences which, in the opinion of the directors, are likely to reverse using the rates of tax expected to be in force at the time of reversal.

(d) Leased assets

Assets held under finance leases are initially reported at the fair value of each asset with an equivalent liability recorded under creditors due within and after one year. Such assets are depreciated over the useful economic life of each asset. Lease payments are allocated between finance charges and reduction of the liability, so as to produce a constant rate of charge on the outstanding balance.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(e) Profit and loss account

In order to facilitate a greater understanding of the accounts, the format of the profit and loss account has been changed to be consistent with that of the consolidated accounts of the group. Comparative figures have been adjusted accordingly.

C & P PRODUCTS LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st DECEMBER 1991**
(continued)**2. Turnover**

Turnover represents the amounts invoiced to customers within the United Kingdom net of trade discounts and excluding value added tax.

3. Directors and staff

	12 months ended 31st December 1991 £	6 months ended 31st December 1990 £
Directors emoluments:		
Fees and salaries	21,117	29,625
Pension contributions	-	240
	<u>21,117</u>	<u>29,865</u>
Highest paid director	<u>14,067</u>	<u>16,425</u>

The directors' emoluments fell within the following ranges:

	Number	Number
£0 - £5,000	2	2
£5,001 - £10,000	1	-
£10,001 - £15,000	1	1
£15,001 - £20,000	-	1
	<u> </u>	<u> </u>
	£	£
Staff costs (including directors' remuneration):		
Wages and salaries	262,742	286,924
Social security costs	24,341	27,242
Other pension costs	-	600
	<u>287,083</u>	<u>314,766</u>

The average number of employees during the period was made up as follows:

	Number	Number
Office and management	11	12
Manufacturing	46	49
	<u>57</u>	<u>61</u>

C & P PRODUCTS LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st DECEMBER 1991
(continued)

4. Net operating expenses	12 months ended 31st December 1991 £	6 months ended 31st December 1990 £
Change in stocks of finished goods and work in progress	34,791	39,808
Raw materials and consumables	550,293	716,134
Staff costs (see note 3)	287,083	314,766
Auditors' remuneration	2,400	3,000
Depreciation of tangible fixed assets	30,379	30,966
- owned	1,067	706
- held under finance lease	(1,592)	-
Profit on disposal of fixed assets	252	335
Hire of equipment	4,470	4,204
Operating lease rentals - plant	128,039	210,375
Other operating charges	<u>1,037,182</u>	<u>1,320,294</u>
5. Interest receivable	12 months ended 31st December 1991 £	6 months ended 31st December 1990 £
Group interest receivable	155,524	-
Bank deposit interest	-	<u>10,008</u>
6. Interest payable	12 months ended 31st December 1991 £	6 months ended 31st December 1990 £
Hire purchase interest	<u>289</u>	<u>341</u>

C & P PRODUCTS LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st DECEMBER 1991**

(continued)

7. Tax on profit on ordinary activities

The charge/(credit) for taxation is as follows:

	12 months ended 31st December 1991 £	6 months ended 31st December 1990 £
Based on the profit for the year:		
UK Corporation tax at 33% (1990: 35%)	90,500	88,000
Deferred taxation at 33%	51,500	5,500
	<u>142,000</u>	<u>93,500</u>
Tax (over)/underprovided in previous years:		
Corporation tax	-	(173,675)
	<u>142,000</u>	<u>(80,175)</u>

8. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Plant and machinery £	Commercial vehicles £	Total £
Cost or valuation					
At 1st January 1991	39,971	36,243	507,738	24,879	608,831
Additions	-	2,072	17,925	-	19,997
Disposals	(7,537)	-	-	-	(7,537)
Transfer to group undertaking	(32,434)	(38,315)	(525,663)	(24,879)	(621,291)
At 31st December 1991	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation					
At 1st January 1991	17,842	15,564	77,681	21,136	132,223
Charge for period	3,910	3,371	21,567	2,598	31,446
Disposals	(5,329)	-	-	-	(5,329)
Transfer to group undertaking	(16,423)	(18,935)	(99,248)	(23,734)	(158,340)
At 31st December 1991	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value					
At 31st December 1991	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st December 1990	<u>22,129</u>	<u>20,679</u>	<u>430,057</u>	<u>3,743</u>	<u>476,608</u>

C & P PRODUCTS LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st DECEMBER 1991****(continued)****8. Tangible fixed assets (continued)**

The amount of plant and equipment (included above at cost or valuation) determined accordingly to the historical cost accounting rules is as follows:

	1991 £	1990 £
Cost	-	564,374
Aggregate depreciation	-	(265,218)
Net value	<u>-</u>	<u>299,156</u>

Included above are the following amounts relating to assets subject to hire purchase agreements:

	1991 £	1990 £
Cost	-	10,575
Accumulated depreciation	-	(5,636)
	<u>-</u>	<u>4,939</u>
Depreciation charged during the period	<u>1,067</u>	<u>706</u>

9. Stocks

	1991 £	1990 £
Raw materials and consumables	-	42,225
Work in progress	-	48,611
Finished goods	-	162,614
	<u>-</u>	<u>253,450</u>

C & P PRODUCTS LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st DECEMBER 1991**
(continued)**10. Debtors**

	1991 £	1990 £
Trade debtors	-	733,839
Amounts owed by group undertakings	1,797,281	188,327
Other debtors	-	197,084
Prepayments	-	11,935
	<u>1,797,281</u>	<u>1,131,185</u>

No formal terms of repayment have been agreed for the amounts owed by group undertakings, which bear interest at a commercial rate.

11. Creditors: Amounts falling due within one year

	1991 £	1990 £
Trade creditors	-	326,675
Hire purchase and lease finance	-	2,372
Amounts owed to group undertakings	-	637,417
Corporation tax	-	164,325
ACT payable	-	191,806
Other taxes and social security	-	15,034
Other creditors	-	7,415
Accruals	-	57,486
	<u>-</u>	<u>1,402,530</u>

12. Provision for liabilities and charges**Deferred taxation**

	12 months ended 31st December 1991		6 months ended 31st December 1990	
	Full potential liability £	Provided in accounts £	Full potential liability £	Provided in accounts £
Accelerated capital allowances	-	-	33,870	33,870
Revaluation of plant	-	-	45,815	-
Other timing differences	51,500	51,500	(15,070)	(15,070)
	<u>51,500</u>	<u>51,500</u>	<u>64,615</u>	<u>18,800</u>

C & P PRODUCTS LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st DECEMBER 1991

(continued)

12. Provision for liabilities and charges (continued)

Deferred taxation

Movements on the provision for deferred taxation are:

	£
At 1st January 1991	18,800
Transferred to group undertaking	(18,800)
Charge to profit and loss account	51,500
At 31st December 1991	<u>51,500</u>

13. Share capital

	1991 £	1990 £
Authorised:		
100 ordinary shares of £1 each	100	100
Issued and fully paid:	<u>100</u>	<u>100</u>
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

14. Revaluation reserve

	£
At 1st January 1991	130,901
Transfer to profit and loss account on disposal of assets	(130,901)
At 31st December 1991	<u>-</u>

C & P PRODUCTS LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st DECEMBER 1991

(continued)

15. Profit and loss account

	£
At 1st January 1991	1,056,103
Retained profit for the year	558,677
Transfer from revaluation reserve	130,901
At 31st December 1991	<u>1,745,681</u>

16. Capital commitments

	1991 £	1990 £
Expenditure contracted for	-	14,775
Authorised but not contracted	-	163,000

17. Ultimate holding company

The company regards Bostrom plc, registered in England as its ultimate holding company.

The group accounts are available from Bostrom plc, Stone Circle Road, Round Spinney, Northampton, NN3 4RS.