

GENERAL UTILITIES (STOCKPORT) LIMITED

Registered number 610257

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st December 1994



GENERAL UTILITIES (STOCKPORT) LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994

CONTENTS

	<u>Pages</u>
Report of the directors	2-3
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Statement of accounting policies	7-8
Notes to the financial statements	9-13

GENERAL UTILITIES (STOCKPORT) LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the financial statements for the year ended 31 December 1994.

ACTIVITIES

The company continued to trade as profile flame cutters, surface and edge grinders, steel fabricators and stress relievers.

RESULTS

	£
Profit for the year after taxation	178,650
Proposed dividend	<u>119,100</u>
Transferred to reserves	<u>£ 59,550</u>

DIRECTORS DURING THE YEAR

M. C. Perkins
G. A. Buchanan
B. Johnston

DIRECTORS' INTERESTS

Mr. M. C. Perkins is a director of Linton Park Plc and his interests in the shares of group undertakings are disclosed in the accounts of that company. No other director had any notifiable interest in the shares of group undertakings.

TANGIBLE FIXED ASSETS

The movements in tangible fixed assets are disclosed in note 5 to the accounts on page 11.

CHARITABLE DONATIONS

The donations made by the company during the year for charitable purposes were nil.

INSURANCE OF DIRECTORS

The company maintains insurance for the directors in respect of their duties as directors of the company.

GENERAL UTILITIES (STOCKPORT) LIMITED

REPORT OF THE DIRECTORS *(cont'd)*

DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of its financial year and of the profit or loss for the financial period.

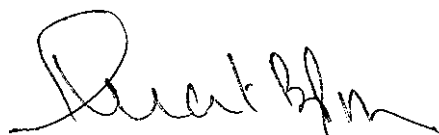
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1994. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are also responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS

A resolution proposing the reappointment of Coopers & Lybrand will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



G. S. G. BROWN
Secretary

25 July 1995

**REPORT OF THE AUDITORS TO THE MEMBERS OF
GENERAL UTILITIES (STOCKPORT) 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.

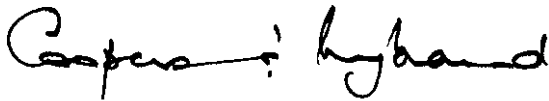
Basis of opinion

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 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND
Chartered Accountants and Registered Auditors
Manchester

25 July 1995

GENERAL UTILITIES (STOCKPORT) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	Note	1994 £	1993 £
TURNOVER - continuing operations	1	1,915,923	1,921,261
Cost of Sales		<u>1,325,641</u>	<u>1,310,941</u>
GROSS PROFIT		590,282	610,320
Distribution costs		44,068	48,372
Administrative expenses		<u>369,901</u>	<u>388,030</u>
OPERATING PROFIT - continuing operations		176,313	173,918
Interest receivable		<u>25,113</u>	<u>18,810</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1	201,426	192,728
Taxation on profit on ordinary activities	2	<u>22,776</u>	<u>58,934</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		178,650	133,794
Dividends	3	<u>119,100</u>	<u>89,196</u>
PROFIT RETAINED FOR THE YEAR	11	£ <u>59,550</u>	£ <u>44,598</u>

The company had no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.


The notes on pages 7 to 13 form part of these financial statements.

GENERAL UTILITIES (STOCKPORT) LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

	Note	1994 £	1993 £
FIXED ASSETS			
Tangible assets	5	359,280	355,605
CURRENT ASSETS			
Stocks	6	185,368	148,321
Debtors	7	778,253	777,561
Cash at bank and in hand		<u>172,799</u>	<u>52,871</u>
		1,136,420	978,753
CREDITORS: Amounts falling due within one year			
	8	<u>554,194</u>	<u>452,402</u>
Net current assets		<u>582,226</u>	<u>526,351</u>
Total assets less current liabilities		941,506	881,956
CREDITORS: Amounts falling due after more than one year			
	9	<u>168,000</u>	<u>168,000</u>
		£ <u>773,506</u>	£ <u>713,956</u>
CAPITAL AND RESERVES			
Called up share capital	10	6,000	6,000
Profit and loss account	11	<u>767,506</u>	<u>707,956</u>
		£ <u>773,506</u>	£ <u>713,956</u>

Approved on 25 July 1995 by the board of directors and signed on their behalf by:


M. C. PERKINS
Director

The notes on pages 7 to 13 form part of these financial statements.

GENERAL UTILITIES (STOCKPORT) LIMITED

STATEMENT OF ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards on the historical cost convention.

TANGIBLE FIXED ASSETS

Tangible fixed assets include all expenditure of a capital nature, and are brought into the financial statements at cost or valuation.

The basis of depreciation is to write off the cost of fixed assets over their estimated useful lives on a straight-line basis at the following rates:

Freehold buildings	4 per cent per annum
Short leasehold property	Over the life of the lease
Plant and machinery	5 to 20 per cent per annum
Motor vehicles	25 per cent per annum
Furniture and fittings	12½ to 25 per cent per annum
Computer equipment	25 per cent per annum

LEASING

Assets held under finance leases are included as tangible fixed assets and the capital element of future lease payments is included in creditors. Such assets are depreciated in accordance with the company's accounting policy. The interest element of rental payments is charged to the profit and loss account over the life of the lease.

Rental payments on all other leases are charged to the profit and loss account as incurred.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost comprises direct materials and labour and, where appropriate, includes a proportion of production and administrative overheads.

DEFERRED TAXATION

Deferred taxation is provided using the liability method on timing differences where, in the opinion of the directors, there is reasonable probability that such taxation will become payable in the foreseeable future.

TURNOVER

Turnover is based on sales at invoiced values, excluding value added tax, less discounts allowed.

GENERAL UTILITIES (STOCKPORT) LIMITED

STATEMENT OF ACCOUNTING POLICIES *(cont'd)*

PENSION COSTS

The company participates in a group defined benefit scheme operated by Unochrome Industries Limited.

The cost of providing pensions is charged to the profit and loss account systematically over the periods benefiting from the employees' services. Pension arrangements are detailed in note 4(d).

CASH FLOW STATEMENT

The company is a wholly owned subsidiary of Linton Park Plc and the cash flows of the company are included in the consolidated group cash flow statement of that company. Consequently the company is exempt from the requirement to publish a cash flow statement.

GENERAL UTILITIES (STOCKPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ANALYSIS OF TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

- (a) Turnover is in respect of the following geographical markets supplied

	1994 £	1993 £
United Kingdom	£ <u>1,915,923</u>	£ <u>1,921,261</u>

- (b) The profit on ordinary activities before taxation is stated after charging:

	£	£
Depreciation	53,469	57,103
Operating lease charges	410	1,354
Auditors' remuneration	<u>3,190</u>	<u>3,100</u>

2. TAXATION

	1994 £	1993 £
Corporation tax at 33 per cent	60,694	-
Advance Corporation tax written back	(37,918)	-
Group tax payment	-	<u>58,934</u>
	£ <u>22,776</u>	£ <u>58,934</u>

The tax charged in 1993 relates to a payment to a group company for tax losses surrendered equal to the corporation tax liability.

No provision is required for deferred taxation at 31 December 1994 (1993 - Nil).

The potential asset for deferred tax is:

	1994 £	1993 £
Retarded Capital Allowances	£ <u>787</u>	£ <u>4,289</u>

3. DIVIDENDS

	1994 £	1993 £
Paid	-	58,000
Proposed	<u>119,100</u>	<u>31,196</u>
	£ <u>119,100</u>	£ <u>89,196</u>

GENERAL UTILITIES (STOCKPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. DIRECTORS AND EMPLOYEES

	1994 £	1993 £
(a) The emoluments of the directors were:		
Salaries including pension contributions	£ <u>89,396</u>	£ <u>84,936</u>
The emoluments of the chairman excluding pension contributions were:	£ <u>NIL</u>	£ <u>NIL</u>
The emoluments of the highest paid director, excluding pension contributions were:	£ <u>46,229</u>	£ <u>44,466</u>
Directors received emoluments excluding pension contributions, within the following ranges:		
	<u>Number</u>	<u>Number</u>
£0 - £5,000	1	1
£30,001 - £35,000	1	1
£40,001 - £45,000	-	1
£45,001 - £50,000	<u>1</u>	<u>-</u>

(b) The average number of employees was:

	1994 <u>Number</u>	1993 <u>Number</u>
Management	8	8
Administration	5	7
Production	<u>29</u>	<u>29</u>
	<u>42</u>	<u>44</u>

(c) Employee costs

	1994 £	1993 £
Wages and Salaries	558,840	560,283
Social Security costs	47,942	46,519
Other pension costs	<u>43,887</u>	<u>42,058</u>
	£ <u>650,669</u>	£ <u>648,860</u>

(d) Pensions

The company participates in a defined benefit pension scheme operated by Unochrome Industries Limited. Contributions are based on pension costs across participating companies in the Unochrome Industries Limited group. Particulars of the actuarial valuation of the group scheme are contained in the financial statements of Unochrome Industries Limited.

GENERAL UTILITIES (STOCKPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u> £	<u>Plant and Machinery</u> £	<u>Fixtures Fittings and Equipment</u> £	<u>Total</u> £
COST				
At 1 January 1994	266,113	553,265	14,117	833,495
Additions	12,129	44,420	595	57,144
Disposals	-	(16,357)	-	(16,357)
At 31 December 1994	<u>£278,242</u>	<u>£581,328</u>	<u>£ 14,712</u>	<u>£874,282</u>
DEPRECIATION				
At 1 January 1994	39,380	427,166	11,344	477,890
Charge for the year	7,865	45,003	601	53,469
Disposals	-	(16,357)	-	(16,357)
At 31 December 1994	<u>£ 47,245</u>	<u>£455,812</u>	<u>£ 11,945</u>	<u>£515,002</u>
NET BOOK VALUE				
At 31 December 1994	<u>£230,997</u>	<u>£125,516</u>	<u>£ 2,767</u>	<u>£359,280</u>
At 31 December 1993	<u>£226,733</u>	<u>£126,099</u>	<u>£ 2,773</u>	<u>£355,605</u>

Depreciation on Land and Buildings includes cumulative depreciation on a property transferred from another group company.

Land and buildings at net book value at 31 December 1994 comprise:

Freehold	230,756
Short leasehold	<u>241</u>
	<u>£ 230,997</u>

6. STOCKS

	1994 £	1993 £
Raw Materials	118,857	70,694
Work in Progress	45,245	57,359
Consumable Stores	<u>21,266</u>	<u>20,268</u>
	<u>£ 185,368</u>	<u>£ 148,321</u>

GENERAL UTILITIES (STOCKPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. DEBTORS

	1994	1993
	£	£
Amounts falling due within one year:		
Trade debtors	466,380	505,829
Amounts due by group undertaking	288,000	250,000
Prepayments and accrued income	<u>23,873</u>	<u>21,732</u>
	£ <u>778,253</u>	£ <u>777,561</u>

8. CREDITORS: Amounts falling due within one year:

	1994	1993
	£	£
Trade creditors	303,281	255,346
Dividends	119,100	31,196
Taxation and social security	67,025	106,078
Accruals and deferred income	<u>64,788</u>	<u>59,782</u>
	£ <u>554,194</u>	£ <u>452,402</u>

9. CREDITORS: Amounts falling due after more than one year:

	1994	1993
Due to immediate parent company	£ <u>168,000</u>	£ <u>168,000</u>

The amount due to the immediate parent company is unsecured, repayable at 12 months notice and interest free.

10. SHARE CAPITAL

	1994	1993
	£	£
Authorised, allotted, called up and fully paid: 6,000 ordinary shares of £1 each	£ <u>6,000</u>	£ <u>6,000</u>

11. RESERVES

	Profit and loss account £
At 1 January 1994	707,956
Profit for the year	<u>59,550</u>
At 31 December 1994	£ <u>767,506</u>

GENERAL UTILITIES (STOCKPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1994	1993
	£	£
Opening shareholders' funds	713,956	669,358
Profit retained for the year	<u>59,550</u>	<u>44,598</u>
Closing shareholders' funds	£ <u>773,506</u>	£ <u>713,956</u>

13. CAPITAL COMMITMENTS

	1994	1993
	£	£
Contracted but not provided for	-	9,000
Authorised but not contracted for	<u>-</u>	<u>-</u>
	£ <u>-</u>	£ <u>9,000</u>

14. LEASING COMMITMENTS

	1994	1993
Annual commitments in respect of operating leases:		
Land and buildings - operating lease expiring Between 1 and 5 years	£ <u>25,000</u>	£ <u>25,000</u>

15. CONTINGENT LIABILITIES

The company has guaranteed overdrafts of companies within the Unochrome Industries Ltd group, which at 31 December 1994 amounted to £748,000 (1993 - £609,000).

16. PARENT COMPANY

The parent company is Linton Park Plc which is registered in England and the ultimate parent company is Camellia Plc which is registered in England. Accounts are filed with the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.