

ESDALE LIMITED

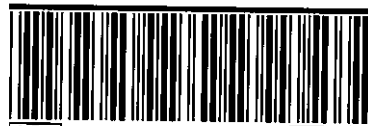
REPORT AND ACCOUNTS

YEAR ENDED 30TH SEPTEMBER 1994

COMPANY REGISTERED NUMBER - 1071506

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COMPANIES HOUSE 30/06/95

ESDALE LIMITED

COMPANY INFORMATION

DIRECTORS:

E. Brown  
D. Brown  
F. Eastwood  
J. Clough  
M. H. Ellis  
H. Brown

SECRETARY:

J. Walker (resigned 18th July 1994)  
D. R. Brown (appointed 18th July 1994)

REGISTERED OFFICE:

Thomas Street  
Bradford Road  
Batley

REGISTERED NUMBER:

1071506

AUDITORS:

Burlinson, Stewart & Company  
Chartered Accountants and Registered Auditors  
21 Henrietta Street  
Batley  
West Yorkshire  
WF17 5DW

ESDALE LIMITED

DIRECTORS' REPORT

The directors present their report and the audited accounts of the company for the year ended 30th September 1994.

**PRINCIPAL ACTIVITIES**

The principal activities of the company during the financial year have continued to be as precision engineers and mould makers for the glass and plastic industries.

The principal activity of the subsidiary company, Esdale Foundry Limited continued to be as iron and brass founders.

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENT**

The glass division and Esdale Foundry Limited produced good figures, our investment in new plant being well timed as demand for our product continues to be good.

There is reason to believe 1994/95 will be equally successful.

The plastics and hi-tec divisions suffered from poor demand with profit below expectation.

We are making strong efforts to increase our customer base at these divisions, with some success to report. We expect 1994/95 to be a better year.

**RESULTS; DIVIDENDS AND MOVEMENTS IN RESERVES**

The results are shown in the profit and loss account and supporting notes.

A dividend of £1.60 per share was paid on 27th September 1994.  
No further dividends are recommended for payment.

Movements in reserves are shown in the notes to the accounts.

**FIXED ASSETS**

Changes in fixed assets are summarised in the notes to the accounts.

ESDALE LIMITED

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year and their interests in the shares of the company are as set out below:-

Ordinary shares	<u>At 30th September 1994</u>	<u>At 1st October 1993</u>
E. Brown (including family interest)	6250	6250
D. Brown	4000	4000
F. Eastwood	2500	2500
J. Clough	1250	1250
M. H. Ellis	1250	1250
H. Brown	-	-

The following directors retire by rotation and are available for re-election at the annual general meeting:-

M. H. Ellis, H. Brown

The directors' interests in the shares of Esdale Foundry Limited, the wholly owned subsidiary company of Esdale Limited are as set out below:-

Ordinary shares	<u>At 30th September 1994</u>	<u>At 1st October 1993</u>
E. Brown	1	1
D. Brown	-	-
F. Eastwood	-	-
J. Clough	-	-
M. H. Ellis	-	-
H. Brown	-	-

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 of the company for that period. In preparing those financial statements, the directors are required to: select suitable accounting policies and apply them consistently; make judgements and estimates that are reasonable and prudent and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


AUDITORS

Burlinson, Stewart & Company have expressed their willingness to continue as auditors and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

SMALL COMPANIES EXEMPTION

The directors have taken advantage, in the preparation of their report, of the exemptions applicable to small companies.

Approved by the board of directors on 12th June 1995 and signed on their behalf by:

Signature ..  ..... Secretary D. BROWN

ESDALE LIMITED

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**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.

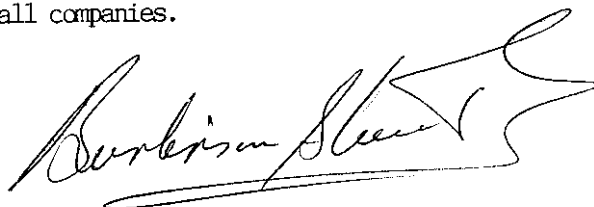
**Basis of opinion**

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 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 at 30th September 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



21 Henrietta Street  
Batley

BURLINSON, STEWART & CO  
Chartered Accountants and Registered Auditor

12th June 1995

AUDITOR'S REPORT TO THE DIRECTORS OF ESDALE LIMITED PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985

We have examined the financial statements of the company and its subsidiary for the year ended 30th September 1994.

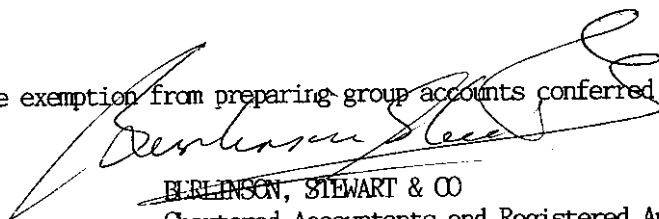
**Basis of opinion**

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

**Opinion**

In our opinion the company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.

21 Henrietta Street  
Batley



BURLINSON, STEWART & CO  
Chartered Accountants and Registered Auditors

12th June 1995

ESDALE LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		<u>£</u>	<u>£</u>
TURNOVER	1b	6545961	6558027
Cost of sales		5335875	5421002
GROSS PROFIT		<u>1210086</u>	<u>1137025</u>
Distribution costs		22471	45190
Administrative expenses		728499	694015
Other operating income	3	459116 49666	397820 39474
OPERATING PROFIT		<u>508782</u>	<u>437294</u>
Interest receivable	4	718	6137
Interest payable	5	509500 55252	443431 62795
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	<u>454248</u>	<u>380636</u>
Exceptional item	7	-	352769
		<u>454248</u>	<u>27867</u>
Taxation	10	144363	(54727)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>309885</u>	<u>82594</u>
Dividend	11	40000	38750
RETAINED PROFIT TRANSFERRED TO RESERVES	2c	<u>269885</u>	<u>43844</u>

In the current and preceding years, the company had no recognised gains or losses other than the profit for the year, all of the activities undertaken by the company were continuing activities, and the reported profit was found under the historical cost convention.


The notes on pages 8 to 16 form part of these accounts.

ESDALE LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		<u>£</u>	<u>£</u>
<b>FIXED ASSETS</b>			
Tangible assets	12/1c	2173420	2281961
Investments	13	20302	20302
<b>CURRENT ASSETS</b>			
Stocks	14	436843	420864
Debtors	15	1358080	1365181
Cash at bank and in hand		2106	539
		<u>1797029</u>	<u>1786584</u>
<b>CREDITORS (Due within one year)</b>			
Bank overdraft		231679	57164
Proportion of bank loan		68933	64221
Trade creditors		410221	950536
Corporation tax		121666	8825
Advance corporation tax		10000	11250
Proportion of hire purchase debt		98666	70351
Other taxes and social security		274720	250448
Amounts owed to group undertakings		83786	129665
Other creditors and accruals		257592	241894
Directors' loan account		150026	169026
		<u>1707289</u>	<u>1953380</u>
<b>NET CURRENT ASSET/(LIABILITIES)</b>		89740	(166796)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2283462	2135467
<b>CREDITORS (Due after one year)</b>			
	16/17	274527	396417
		<u>2008935</u>	<u>1739050</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	18	100000	100000
<b>NET ASSETS</b>		<u>1908935</u>	<u>1639050</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	25000	25000
Profit and loss account	20	1883935	1614050
<b>SHAREHOLDERS' FUNDS</b>	21	<u>1908935</u>	<u>1639050</u>

Approved by the board of directors on 12th June 1995 and signed on their behalf by:

.....  (Director)

The notes on pages 8 to 16 form part of these accounts.

ESDALE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		<u>£</u>	<u>£</u>
Net cash inflow from operating activities	22(a)	184553	817049
Returns on investments and servicing of finance			
Interest received		718	6137
Interest paid		(55252)	(58176)
Dividends paid		(40000)	(38750)
		<u>          </u>	<u>          </u>
Net cash outflow from returns on investments and servicing of finance		(94534)	(90789)
Taxation			
Corporation tax paid (including advance corporation tax)		(20075)	(69900)
Investing activities			
Payments to acquire tangible fixed assets		(173900)	(1158297)
Receipts from sales of tangible fixed assets		8950	11000
		<u>          </u>	<u>          </u>
Net cash outflow from investing activities		(164950)	(1147297)
Net cash outflow before financing		(95006)	(490937)
Financing			
Net loans (repaid)/raised	22(b)	(133584)	444883
Net hire purchase funds	22(b)	55642	11774
		<u>          </u>	<u>          </u>
		(77942)	456657
Decrease in cash and cash equivalents	22(c)	<u>(172948)</u>	<u>(34280)</u>

The notes to the cash flow statement are included at note 22.



NOTES TO THE ACCOUNTS

Note

1. ACCOUNTING POLICIES

a) Convention

The accounts have been prepared in accordance with the historical cost convention.

b) Turnover

Turnover represents the full value of sales invoiced exclusive of value added tax.

c) Depreciation

Depreciation is provided by the application of the following methods and rates in order to write off each asset over its estimated useful life:-

Tools and equipment	10% on cost
Freehold buildings	2% on cost
Motor vehicles	25% on reducing balance

No depreciation is provided in respect of freehold land.

d) Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

e) Deferred taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

f) Leases and hire purchase contracts

Operating lease rentals are charged to the profit and loss account as incurred. Assets held under hire purchase contracts are capitalised.

g) Pension costs

The company has a defined contribution pension scheme. The charge for pension costs is the amount of contributions payable to the scheme in respect of the accounting period.

h) Research and development

Research and development expenditure is written off in the year in which it is incurred.

i) Foreign currency transactions

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction.

Gains and losses on foreign currency transactions are credited or charged directly to the profit and loss account as incurred.

ESDALE LIMITED

NOTES TO THE ACCOUNTS

<u>Note</u>	<u>1994</u>	<u>1993</u>
2. <b>TURNOVER</b>	<u>£</u>	<u>£</u>
An analysis of turnover by geographical location is as follows:-		
United Kingdom	6172597	5508274
Europe	330645	356351
Other	42719	693402
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	<u>6545961</u>	<u>6558027</u>
3. <b>OTHER OPERATING INCOME</b>		
Rent received	48109	39474
Profit on sale of fixed assets	1557	-
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	<u>49666</u>	<u>39474</u>
4. <b>INTEREST RECEIVABLE</b>		
Bank deposit account interest	718	6137
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	<u>718</u>	<u>6137</u>
5. <b>INTEREST PAYABLE</b>		
Bank overdraft	19764	22875
Hire purchase interest	21256	35820
Loan interest	14232	4100
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	<u>55252</u>	<u>62795</u>
6. <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
The profit is arrived at after (crediting)/charging:-		
Differences on foreign currency transactions	(218)	(420)
Depreciation of owned assets	239933	204525
Depreciation of assets held under hire purchase contracts	35115	50945
Operating lease charges	17	2427
Hire purchase interest	21256	35820
Auditors remuneration	5000	4800
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	<u>55252</u>	<u>62795</u>

ESDALE LIMITED

NOTES TO THE ACCOUNTS

<u>Note</u>	<u>1994</u>	<u>1993</u>
7. <b>EXCEPTIONAL ITEM</b>	£	£
Settlement of litigation re breach of contract and/or negligence	-	105000
Professional costs incurred in defending the above action	-	247769
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>352769</u>
	<u>          </u>	<u>          </u>
8. <b>STAFF COSTS</b>		
Average number of employees (including directors) during the year:		
Production	174	173
Selling and distribution	6	6
Administration	14	13
	<u>          </u>	<u>          </u>
	<u>194</u>	<u>192</u>
	<u>          </u>	<u>          </u>
Costs in respect of these employees:		
Wages and salaries	3207809	3100803
Social security costs	284038	242291
Other pension costs	184314	152675
	<u>          </u>	<u>          </u>
	<u>3676161</u>	<u>3495769</u>
	<u>          </u>	<u>          </u>
9. <b>DIRECTORS' REMUNERATION</b>		
Management remuneration	270649	261238
Benefits in kind	39862	33731
Pension costs	39909	35257
	<u>          </u>	<u>          </u>
	<u>350420</u>	<u>330226</u>
	<u>          </u>	<u>          </u>
Emoluments excluding pension contributions		
Chairman	<u>125104</u>	<u>121823</u>
Number of other directors whose emoluments fell within the bands stated:		
5001 - 10000	1	1
30001 - 35000	1	-
35001 - 40000	1	2
45001 - 50000	-	1
50001 - 55000	1	1
55001 - 60000	1	-
	<u>          </u>	<u>          </u>

No director had a material interest in any contract with the company.

ESDALE LIMITED

NOTES TO THE ACCOUNTS

<u>Note</u>	<u>1994</u>	<u>1993</u>
10. TAXATION	<u>£</u>	<u>£</u>
Corporation tax charge/(credit) is based on the taxable profit/loss for the year at 32% (1993 32%)	131666	(63551)
Prior year adjustment	<u>12697</u>	<u>8824</u>
	<u>144363</u>	<u>(54727)</u>
11. DIVIDEND		
£1.60 per share (1993 £1.55) paid 27th September 1994	<u>40000</u>	<u>38750</u>

ESDALE LIMITED

NOTES TO THE ACCOUNTS

<u>Note</u>	<u>Freehold property</u>	<u>Tools and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
12. TANGIBLE FIXED ASSETS	£	£	£	£
<u>Cost</u>				
At 1st October 1993	667126	3506719	247675	4421520
Additions	-	144527	29373	173900
Disposals	-	(3750)	(21042)	(24792)
At 30th September 1994	667126	3647496	256006	4570628
<u>Depreciation</u>				
At 1st October 1993	48052	1972703	118804	2139559
Charge for year	10483	231320	33245	275048
Disposals	-	(3750)	(13649)	(17399)
At 30th September 1994	58535	2200273	138400	2397208
<u>Net book value</u>				
At 30th September 1994	608591	1447223	117606	2173420
At 30th September 1993	619074	1534016	128871	2281961

The net book value of tangible fixed assets includes £232904 (1993: £404834) in respect of assets held under hire purchase contracts and finance leases. The depreciation charge for the year on those assets amounts to £35115 (1993 £50945).

ESDALE LIMITED

NOTES TO THE ACCOUNTS

<u>Note</u>	<u>1994</u>	<u>1993</u>
13. INVESTMENTS	<u>£</u>	<u>£</u>
Unlisted shares in subsidiary company at cost	20302	20302
<p>The above investment represents 100% of the ordinary share capital of Esdale Foundry Limited, a company registered in England whose principal activity is as Iron and Brass Founders.</p> <p>The aggregate amount of the capital and reserves of Esdale Foundry Limited at 30th September 1994 were £359282 (1993 : £298911) and the profit for the year then ended was £80510 (1993 : £83058).</p>		
14. STOCKS		
Raw materials	211356	205836
Work in progress	185649	175834
Loose tools and sundries	39838	39194
	<u>436843</u>	<u>420864</u>
<p>The replacement value of stocks is not significantly difference from cost.</p>		
15. DEBITORS		
Trade debtors	1288604	1284304
Corporation tax	62104	74801
Other debtors	100	100
Prepayments and accrued income	7272	5976
	<u>1358080</u>	<u>1365181</u>
16. SECURITY		
<p>Security has been given by the company in respect of the bank borrowings and the hire purchase debt.</p>		

ESDALE LIMITED

NOTES TO THE ACCOUNTS

<u>Note</u>	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
17. CREDITORS (Due after one year)		
Proportion of hire purchase debt	61841	14435
Other creditors	50000	150000
Proportion of bank loan	162686	231982
	<u>274527</u>	<u>396417</u>
Repayable as follows		
Between one and two years	184476	182981
Between two and five years	90051	213436
	<u>274527</u>	<u>396417</u>
18. PROVISION FOR LIABILITIES AND CHARGES		
Deferred taxation		
As explained in note 1(e) provision is only made for deferred taxation, if, in the opinion of the directors a liability is likely to arise in the foreseeable future. The amount provided for deferred taxation and the amounts involved if deferred taxation had been provided in full, are made up as follows:-		
	<u>Full provision</u>	<u>Provided in</u>
	<u>1994</u>	<u>accounts</u>
	<u>1993</u>	<u>1994</u>
	<u>1994</u>	<u>1993</u>
Accelerated capital allowances	266149	245671
	100000	100000
	<u>266149</u>	<u>245671</u>
	<u>100000</u>	<u>100000</u>
19. CALLED UP SHARE CAPITAL		
Authorised		
25000 ordinary shares of £1 each	25000	25000
Allotted, called up and fully paid		
25000 ordinary shares of £1 each	25000	25000
20. PROFIT AND LOSS ACCOUNT		
At 1st October 1993	1614050	1570206
Retained profit for year	269885	43844
At 30th September 1994	<u>1883935</u>	<u>1614050</u>

NOTES TO THE ACCOUNTS

<u>Note</u>		<u>1994</u>		<u>1993</u>	
21.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	£		£	
	Profit for the financial year	309885		82594	
	Dividend	40000		38750	
	Net addition to shareholders' funds	269885		43844	
	Opening shareholders' funds	1639050		1595206	
	Closing shareholders' funds	1908935		1639050	
22.	NOTES TO THE CASHFLOW STATEMENT				
	(a) Reconciliation of operating profit to net cash inflow from operating activities				
	Operating profit	508782		437294	
	Depreciation	275048		255470	
	(Increase) in stocks	(15979)		(52895)	
	(Increase) in debtors	(5596)		(326324)	
	(Decrease)/increase in creditors	(576145)		856273	
	Exceptional items	-		(352769)	
	Profit on sale of fixed assets	(1557)		-	
		184553		817049	
	(b) Analysis of changes in financing during the year				
		<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	Balance 1st October 1993	401068	93091	375236	226556
	Cash inflows/(outflows) from financing:-				
	Inception of hire purchase contracts for non cash consideration	189588	120481	-	-
	New loans raised	-	442000	-	150000
	Capital element of repayments - Loans	(64584)	(145797)	(69000)	(1320)
	Capital element of repayments - Hire Purchase	(133946)	(108707)	-	-
	Balance at 30th September 1994	392126	401068	306236	375236



ESDALE LIMITED

NOTES TO THE ACCOUNTS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
22. Continued		
(c) Analysis of changes in cash and cash equivalents during the year.		
Balance at 1st October 1993	(56625)	(22345)
Net cash outflow	(172948)	(34280)
Balance at 30th September 1994	<u>(229573)</u>	<u>(56625)</u>

(d) Analysis of the balance of cash and cash equivalent as shown in the balance sheet.

	<u>Balance at 30.9.94</u>	<u>Balance at 30.9.93</u>	<u>Charge in year 1994</u>	<u>1993</u>
Cash at bank and in hand	2106	539	1567	(99379)
Bank overdraft	(231679)	(57164)	(174515)	65099
	<u>(229573)</u>	<u>(56625)</u>	<u>(172948)</u>	<u>(34280)</u>

23. CONTINGENT LIABILITY

Esdale Limited has guaranteed the amounts owed to the Midland Bank PLC by Esdale Foundry Limited, its subsidiary company.

24. GROUP ACCOUNTS

These financial statements present information about Esdale Limited as an individual undertaking and not about its group. Group accounts are not to be prepared as the group is entitled to the exemption under Section 248 of the Companies Act 1985 not to prepare group accounts as the group qualifies as a medium-sized group and is entitled to make use of the exemption.