

BABCOCK INTERNATIONAL PLC

INTERIM ACCOUNTS  
for the period ended  
28 JUNE 1989



**HARCOCK INTERNATIONAL PLC**

**DIRECTORS**

**Rt. Hon The Lord King of Wartnaby (Chairman)**

**Rt. Hon Sir Frank Cooper**

**A. Gartland**

**J. Whalley**

**G.S. Stone**

**J.E. Barker**

**SECRETARY**

**J.E. Barker**

**REGISTERED OFFICE**

**Stoney Royd, Halifax, West Yorkshire, HX3 9HP**

**AUDITORS**

**BDO Binder Hamlyn, Chartered Accountants,  
Number Twenty-One, Queen Street, Leeds LS1 2TW**

**BANKERS**

**Barclays Bank PLC, 10 Market Street, Bradford,  
West Yorkshire, BD1 1NR**

BANCORP INTERNATIONAL PLC

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 28 JUNE 1989

		Period ended 28 June 1989 £'000	Year ended 31 March 1989 £'000
	Notes		
Administrative expenses		(28)	(821)
Other operating income		-	1,352
Income from fixed asset investments		11,566	12,858
Other interest receivable and similar income		-	659
Interest payable and similar charges		(824)	(21)
Profit on ordinary activities before taxation	2	10,714	14,927
Tax on profit on ordinary activities	3	-	(3,446)
Profit on ordinary activities after taxation		10,714	10,581
Extraordinary items	4	-	(18,020)
Profit (loss) for the financial period		10,714	(7,439)
Dividends	5	(293,700)	(2,523)
Transfer from reserves	13	(282,986)	(9,962)

**BARCOCK INTERNATIONAL PLC**

**INTERIM BALANCE SHEET AT 28 JUNE 1989**

		Period ended 28 June 1989 £'000	Year ended 31 March 1989 £'000
	Notes		
<b>FIXED ASSETS</b>			
Investments	6	42,800	243,966
<b>CURRENT ASSETS</b>			
Debtors	7	116,417	112,967
Cash at bank and in hand		14,849	12,512
		131,266	125,479
<b>CREDITORS (amounts due within one year)</b>	8	(123,793)	(36,186)
<b>NET CURRENT ASSETS</b>		7,473	89,293
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		50,273	333,259
<b>CREDITORS (amounts due after one year)</b>	9	(264)	(264)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	(857)	(857)
<b>NET ASSETS</b>		49,152	332,138
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	36,453	36,453
Share premium account	13	12,660	12,660
Other reserve	13	-	205,000
Profit and loss account	13	39	78,025
		49,152	332,138

We are of the opinion that these financial statements give a true and fair view of the state of affairs of the company at 28 June 1989, and of the profit for the period then ended.

Signed on behalf of the board

..... )  
 ..... ) Directors  
 .....

NOTES TO THE INTERIM ACCOUNTS

1 ACCOUNTING POLICIES

The following accounting policies are used consistently in dealing with items which are considered material in relation to the company's accounts.

(a) Basis of accounting and preparation

The interim accounts are properly prepared under the historical cost convention and are in accordance with Section 272 of the Companies Act 1985 with the following omission. The particulars of employees otherwise required by Schedule 4 of the Companies Act 1985 have been omitted as, in the opinion of the directors, this matter is not material for the purposes of determining whether the proposed distribution would contravene Section 270 of the Companies Act 1985.

The interim accounts have been prepared pursuant to the company complying with the statutory requirements of the Companies Act 1985 in respect of a proposed distribution.

(b) Investment in subsidiaries

Investments in subsidiary companies are stated at cost less provision for diminution in value.

(c) Depreciation

Depreciation is provided on a straight line basis to write off the cost, less estimated residual value, of tangible and intangible fixed assets over their estimated useful lives at the following annual rates:

Freehold property	1/2% - 2%
Plant, machinery and equipment	10%
Patents and know-how	various

(d) Deferred tax

Provision is made for deferred taxation, using the liability method, on all timing differences where it is considered that a liability may arise in the foreseeable future. No account is taken of potential group relief on general provisions, as it is considered imprudent to account for this relief before these provisions become both specific and available.

## NOTES TO THE INTERIM ACCOUNTS

## ACCOUNTING POLICIES Continued

## (d) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the year end exchange rate and the resulting exchange differences are dealt with in the determination of profit for the financial period.

Exchange gains and losses arising on foreign currency borrowings used to finance the company's foreign currency equity investments are taken to reserves to the extent that they can be offset against the exchange differences arising on the equity investment.

## (e) Pension benefits

Pension benefits are funded over the employees period of service. The company's contributions are based on the most recent triennial actuarial valuation of the fund and are charged to the profit and loss account as incurred.

## 2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Period ended 28 June 1989 £'000	Year ended 31 March 1989 £'000
After charging:		
Directors' emoluments	-	56
Auditors' remuneration	-	6
Depreciation	-	7
Interest payable - bank loans and overdrafts and other loans repayable within five years	2	21
	<u>2</u>	<u>21</u>
After crediting:		
Income from shares in associated companies	-	3,358
Income from shares in group companies	11,500	9,500
Profit on sale of fixed assets	-	997
	<u>11,500</u>	<u>9,500</u>

NOTES TO THE INTERIM ACCOUNTS

	Period ended 28 June 1989 £'000	Year ended 31 March 1989 £'000
<b>3 TAX ON PROFIT ON ORDINARY ACTIVITIES</b>		
U.K. Corporation tax at 35%	-	2,029
Tax on U.K. dividends received	-	-
Advance Corporation Tax written back	-	(92)
U.K. deferred tax	-	3,000
	-	4,937
Prior year adjustments	-	(1,491)
	-	3,446
<b>4 EXTRAORDINARY ITEMS</b>	£'000	£'000
Net profit on sale less losses and provisions relating to subsidiary and associate companies	-	(17,557)
Taxation effects of the above	-	(463)
	-	(18,020)
<b>5 DIVIDENDS</b>	£'000	£'000
Ordinary shares		
Proposed dividend - 64.9p per share (31 March 1989 1.84p per share)	88,700	2,519
Dividend "in specie"	205,000	-
Preference shares		
Dividends paid	-	4
	293,700	2,523

FKI Babcock PLC has waived its entitlement to any preference share dividends from the company.

## NOTES TO THE INTERIM ACCOUNTS

## 6 FIXED ASSET INVESTMENTS

Cost	Shares in group companies £'000	Shares in associated companies £'000	Other investments other than loans £'000	Total £'000
At 1 April 1989	244,214	306	15	244,535
Additions	-	4,140	-	4,140
Disposals	(205,000)	(306)	-	(205,306)
At 28 June 1989	39,214	4,140	15	43,369

## Provisions for diminution in value

At 1 April 1989 and 28 June 1989	569	-	-	569
Net book value at 28 June 1989	38,645	4,140	15	42,800
Net book value at 31 March 1989	243,645	306	15	243,966

The total cost and market value of investments listed on a recognised stock exchange and included above are:

	28 June 1989 £'000	31 March 1989 £'000
Cost	10	10
Market value	14	14

Details of principal subsidiaries and related companies are included in note 16.

In the opinion of the directors, the aggregate value of the company's investment in its subsidiaries is not less than the aggregate amount at which they are stated in the company's balance sheet.

## 7 DEBTORS

	28 June 1989 £'000	31 March 1989 £'000
Amounts owed by fellow group companies	115,634	111,662
Other debtors	783	1,305
	116,417	112,967

None of these debtors are due after one year.