

J. & F. POOL, LIMITED

MEMORANDUM

A. F. Pool (Chairman)  
E. G. Hazler (Managing)

T. J. Newman (Secretary)  
G. A. Davies

B. G. Pascoe

MANAGING DIRECTOR

HAZLER, EXETER.

NOTICE OF MEETING

NOTICE is hereby given that the seventy-fifth annual general meeting of the company will be held at the registered office, Hayle, Cornwall, on 1st October 1961 at 2.15 p.m. to receive the accounts for the fifty-three weeks ended 2nd January 1961, and the reports of the Directors and Auditors thereon, and to transact any other business which may properly be transacted at the annual general meeting.

Notes: A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member.

BY ORDER OF THE BOARD

*T. J. Newman*  
T. J. NEWMAN  
SECRETARY

7th September 1961  
HAZLER, Cornwall.

REPORT OF THE DIRECTORS

- PERIOD The Directors submit their report with the balance sheet of the company at 2nd January 1961 and accounts for the fifty-three weeks ended on that date.
- BUSINESS OF COMPANY The company is employed in metal perforating and closely related engineering activities based on Hayle.
- Direct exports in the period under review amounted to some £48,000 but a substantial proportion of the company's products are incorporated by its United Kingdom customers (which cover a wide range of industries) into their exports. An important part of the company's efforts, therefore, contributes to export activity.
- RESULTS AND APPROPRIATIONS The results for the 53 weeks, together with appropriations are shown on page 2 of the accounts attached.
- FIXED ASSETS The movements in fixed assets appear in note 10 on page 5 of the accounts.
- DIRECTORS  
Mr. Dease resigned his directorship on 31st October 1960. There were no other changes during the year.
- Directors retiring by rotation are Mr. Newman and Mr. Pascoe, who being eligible, offer themselves for re-election.
- None of the directors had a beneficial interest in any contract to which the company was a party in the period under review.
- AUDITORS Messrs. Whitaker and Redfoam having indicated their willingness to continue in office, a resolution that they be re-appointed, and the directors authorised to agree their remuneration, will be proposed at the annual general meeting.

*A. F. Pool*  
ON BEHALF OF THE BOARD  
A. F. POOL  
CHAIRMAN

7th September 1961

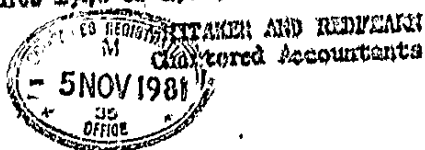
REPORT OF THE AUDITORS

We have examined the accounts of J. & F. Pool Limited set out on pages 2 to 6. These have been prepared under the historical cost convention as explained in note 1 (b). As indicated in notes 1 (d) and 1 (e) the accounting treatment of regional development grants and depreciation are not in accordance with Statements of Standard Accounting Practice Nos. 4 and 12.

With those exceptions, in our opinion the accounts give, under the accounting convention stated above, a true and fair view of the state of affairs at 2nd January 1961, and of the profit and sources and applications of funds for the fifty-three weeks then ended, and comply with the Companies' Acts 1948 to 1960.

Alverton Hazler,  
Fenancing.

7th September 1961



I. & F. POOL LIMITED

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PROFIT AND LOSS ACCOUNT for the fifty-three weeks ended 2nd January 1981

	Note 1	1980 <u>4,313</u>	£'000's	1979 <u>4,700</u>
TURNOVER .. .. .		<u>4,313</u>		<u>4,700</u>
OPERATING PROFIT before items below		114		568
Depreciation .. .. .		<u>300</u>		<u>275</u>
OPERATING LOSS (1979: profit) before interest and exceptional item		(186)		293
Interest .. .. .	2	<u>216</u>		<u>27</u>
LOSS (1979: profit) before exceptional item		(402)		266
Exceptional item .. .. .	3	<u>68</u>		<u>-</u>
LOSS (1979: profit) before taxation	4	(470)		266
Taxation credit (1979: charge)	5	<u>498 Cr</u>		<u>33</u>
PROFIT after taxation .. .. .		28		233
Dividends .. .. .	6	<u>-</u>		<u>101</u>
RETAINED IN BUSINESS .. .. .	13	<u>28</u>		<u>132</u>
STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS				
SOURCES OF FUNDS				
Loss (1979: profit) before tax		(470)		266
Adjustment for depreciation		<u>300</u>		<u>275</u>
Funds Absorbed by Operations (1979: Generated)		(170)		541
Funds from other sources, namely:				
Government Grants .. .. .		203	100	
Bank Loan .. .. .		<u>450</u>	<u>350</u>	<u>450</u>
TOTAL FUNDS .. .. .		<u>483</u>		<u>991</u>
APPLICATION OF FUNDS				
Dividends Paid .. .. .		101	73	
Tax .. .. .		6	9	
Purchase of Fixed Assets less disposals		<u>785</u>	<u>863</u>	
Pensions .. .. .		<u>8</u>	<u>8</u>	<u>953</u>
Increase (Decrease) in Working Capital:				
Group Companies .. .. .		(17)	44	
Increased (reduced) stocks		(424)	325	
Increased (reduced) debtors		(346)	287	
(Increased) reduced creditors		<u>451</u>	<u>(213)</u>	<u>443</u>
Movement in net liquid funds:				
(Increase) decrease in overdraft		<u>(81)</u>		<u>(405)</u>
TOTAL APPLICATIONS .. .. .		<u>483</u>		<u>991</u>

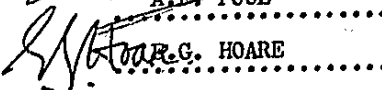
This statement provides actual cash movements and cannot be related directly to the difference between the opening and closing balance sheets.

J. & F. POOL, LIMITED

BALANCE SHEET at 2nd January 1981

	Note	£000's	
		1980	1979
<u>ASSETS EMPLOYED</u>			
CURRENT ASSETS			
Stock and Work-in-Progress	7	1,416	1,840
Government Grants Receivable		70	124
Debtors		812	1,158
Taxation Recoverable	8	-	122
		<u>2,298</u>	<u>3,244</u>
CURRENT LIABILITIES			
Creditors		622	1,073
Bank Overdraft	9	680	599
Dividends	6	-	101
		<u>1,302</u>	<u>1,773</u>
NET CURRENT ASSETS		996	1,471
FIXED ASSETS	10	4,413	3,928
		<u>5,409</u>	<u>5,399</u>
LESS: PROVISION FOR PENSIONS		24	28
		<u>5,385</u>	<u>5,371</u>
<u>FINANCED BY:</u>			
SHARE CAPITAL	11	66	66
RESERVES	12	3,142	2,966
DEFERRED TAXATION	13	967	1,596
BANK LOAN	9	1,100	650
GROUP COMPANIES		110	93
		<u>5,385</u>	<u>5,371</u>

  
A.E. POOL

  
R.C. HOARE

} DIRECTORS

CERTIFIED AS A TRUE COPY OF THE ANNUAL  
ACCOUNTS LAID BEFORE THE COMPANY IN GENERAL  
MEETING

# J. & F. POOL LIMITED

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

- (a) The accounts are for the 53 weeks ended 2nd January 1981. The comparatives are for the 52 weeks ended 28th December 1979. All amounts are in thousands of pounds.
- (b) The accounts are prepared under the historical cost convention. However, there is incorporated in the accounts a valuation of fixed assets at 30th December 1977.
- (c) Plant and Machinery includes some plant which is leased and therefore not owned by the company. A liability has been created for the leasing commitment less finance charges.

- (d) Regional development grants in respect of expenditure on fixed assets have been credited to reserves. In so far as these grants have been received in respect of fixed assets which have not been fully depreciated at the balance sheet date, they should not be regarded as distributable to shareholders.

This accounting treatment does not comply with statement of standard accounting practice No. 4 (The Accounting Treatment of Government Grants) which states that these grants should be credited to profit and loss account over the useful lives of the assets to which they relate. If such a credit had been made in the current year for plant and machinery it would have amounted to approximately £22,000 (1979: £11,000), leaving £309,000 (1979: £205,000) to be credited in future years. A further £110,000 (1979: £88,000) has been received in respect of buildings which are not depreciated.

- (e) Depreciation is provided on the cost or earlier valuation of plant and machinery by equal instalments based on the estimated working life of the assets and beginning with a full year's depreciation in the financial year following introduction into service.

No depreciation provision is considered necessary on freehold buildings and in this respect the accounts are not in accordance with statement of standard accounting practice No. 12 (Accounting for Depreciation) which states that buildings should be depreciated over their estimated useful lives. If such a charge, assumed based on a life of 50 years, had been made in the current year it would have amounted to approximately £32,000 (1979: £26,000).

- (f) Stock has been valued at cost with provision for obsolete and slow-moving items. Work-in-progress has been valued at the lower of cost, including appropriate works overheads, or net realisable value.

- (g) Provision is made for deferred taxation, using the liability method, on the:

- (i) excess of taxation allowances claimed in respect of qualifying fixed assets over depreciation charged thereon.
- (ii) surplus arising on valuation of plant and machinery.
- (iii) unused stock relief available against future profits.

Advance corporation tax recoverable and corporation tax on losses carried forward are deducted from the provision for deferred taxation.

Provision is not made on chargeable gains which:

- (i) arise from the sale of assets which are carried forward by deduction from the cost of replacement assets (roll over relief).
- (ii) would arise if the freehold land and buildings were sold at their valued amounts.

### 2. INTEREST

	1980	1979
Interest payable	276	99
Interest receivable	(5)	-
Interest relief grants	(55)	(72)
	<u>216</u>	<u>27</u>

### 3. EXCEPTIONAL ITEM

This relates to redundancy and associated costs paid during the year.

J. & F. POOL LIMITED

4. LOSS BEFORE TAXATION

This is after having charged the following items:-

	1980	1979
Hire charges for vehicles and equipment .. Note	5	4
Directors' emoluments .. .. . 14	<u>13</u>	<u>21</u>

5. TAXATION

The credit (1979: charge) for taxation assumes a rate of 52% and is made up thus:-

Corporation tax loss .. .. .	(577)	-
Corporation tax recoverable .. .. .	-	(49)
Equalisation of tax on pension provision ..	4	4
Deferred Taxation .. .. .	340	186
Stock relief written off .. .. .	(423)	(108)
Corporation tax on 1975 accounts written off	<u>158</u>	<u>-</u>
	<u>(498)</u>	<u>33</u>

6. DIVIDENDS

First Interim	-	46
Second Interim	-	55
	<u>-</u>	<u>101</u>

7. STOCK AND WORK-IN-PROGRESS

Stock .. .. .	1,068	1,423
Work-in-progress .. .. .	348	417
	<u>1,416</u>	<u>1,840</u>

8. TAXATION

(a) The Company is a close Company and is therefore potentially liable to income tax on any shortfall of distribution below the required standard.

(b) Recoverable .. .. .	-	165
Advance Corporation Tax payable ..	-	(43)
	<u>-</u>	<u>122</u>

(c) The £158,000 assessment to corporation tax on the extraordinary item in the 1975 accounts, and paid under protest was charged against reserves in 1980.

9. BANK OVERDRAFT AND LOAN

The bank overdraft and loan are secured on the assets of the company.

10. FIXED ASSETS

<u>Cost/Valuation</u>	<u>Total</u>	<u>Freehold Land &amp; Buildings</u>	<u>Plant &amp; Machinery</u>
At 29th December 1979 (a)	7,480	1,546	5,934
Additions (b)	803	59	744
Disposals	(93)	-	(93)
At 2nd January 1981	<u>8,190</u>	<u>1,605</u>	<u>6,585</u>
Cost	2,060	508	1,552
Valuation	<u>6,130</u>	<u>1,097</u>	<u>5,033</u>
<u>Depreciation</u>			
At 29th December 1979	3,552	-	3,552
Charge	300	-	300
Disposals	(75)	-	(75)
At 2nd January 1981	<u>3,777</u>	<u>-</u>	<u>3,777</u>
BOOK VALUE (c)	<u>4,413</u>	<u>1,605</u>	<u>2,808</u>

(a) Fixed Assets were valued on 30th December 1977.

(b) Cost is without deduction of government grants.

(c) The written down value of plant and machinery includes leased items amounting to £128,000 (1979: £115,000).

J. & F. POOL LIMITED

11. SHARE CAPITAL at 2nd January 1981 and 28th December 1979 was:

<u>NUMBER AUTHORISED</u>	<u>SHARES OF £1 EACH</u>	<u>ISSUED</u>
3,000	5% Cumulative Preference	3
63,000	Ordinary	63
84,000	Unclassified	-
<u>150,000</u>		<u>66</u>

All the Issued Share Capital is held by J. & F. Pool (Holdings) Limited, which is incorporated in England.

12. RESERVES

	<u>29th December</u> <u>1979</u>	<u>Movement</u> <u>in Year</u>	<u>2nd January</u> <u>1981</u>
Surplus on revaluation of fixed assets	1,375	-	1,375
Government Grants .. .. .	311	148	459
Retained Profit .. .. .	1,280	28	1,308
	<u>2,966</u>	<u>176</u>	<u>3,142</u>

13. DEFERRED TAXATION

Tax on the excess of capital allowance claimed over related depreciation	1,672	1,357
Stock relief .. .. .	214	548
	<u>1,886</u>	<u>1,905</u>
Corporation tax losses and advance corporation tax not yet recovered .. .. .	(919)	(309)
	<u>967</u>	<u>1,596</u>

The potential liability in respect of those items for which no provision is made above is:-

Roll over relief .. .. .	7	7
Freehold land and buildings sold at valued amounts	180	180

14. DIRECTORS' EMOLUMENTS

(a) Management Remuneration (including pension contributions) .. .. .	13	21
Pensions to former Executive Directors and dependants paid from provisions	9	8
(b) Chairman .. .. .	7	6
(c) Highest Paid Director .. .. .	9	-
(d) Number of other directors paid (excluding pension contributions):		
1 - 2,500 .. .. .	4	4
2,501 - 5,000 .. .. .	-	2
5,001 - 7,500 .. .. .	-	1

Four of the Directors were mainly remunerated by the Holding Company in their executive capacity with that company.

15. CAPITAL EXPENDITURE

The outstanding commitments for capital expenditure for which provision has not been made in the accounts are £20,000 (1979: £623,000).

No further capital expenditure has been sanctioned by the directors at 2nd January 1981.