

Company Number: 133373

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31ST MARCH 2007

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COMPANIES HOUSE

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

DIRECTORS AND ADVISERS

Directors

A J Cook CBE Chairman
K J Grayley

Secretary

M B Houghton

Registered Office

Parkway Avenue
Sheffield
S9 4UL

Auditors

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Bankers

The Royal Bank of Scotland plc
2 Whitehall Quay
Leeds
LS1 4HR

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WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the period ended 31st March 2007.

1. Business Review

The company's principal activity during the period was the manufacture of steel castings for the general engineering markets

On 4th December 2006 the company announced the cessation of its operations at the Tow Law site. The trade was subsequently transferred to a fellow Group company

The loss for the financial period amounted to £178,744 (2006 profit £87,014). However, this included exceptional costs of £81,792 in relation to the pension scheme bulk transfer exercise and costs of fundamental reorganisation of £142,860.

2. Dividends

The directors do not recommend that a dividend be paid (2006 £nil)

3. Directors

The directors at the end of the period are shown on page 1. They had no interest in the shares of the company

Mr A J Cook's interest in the capital of the ultimate holding company is disclosed in the accounts of that company. At 31st March 2007 Mr K J Grayley held 100,000 D Ordinary shares in William Cook Holdings Limited, the ultimate holding company

4. Employees

It is the policy of the Group to employ disabled persons wherever circumstances permit and provide normal opportunities for their training, promotion and career developments

The company considers it important that employees are well informed on all aspects of its affairs as far as the needs of communication and financial confidentiality will allow

5. Tangible Fixed Assets

Movements in tangible fixed assets are shown in note 7 to the accounts

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

6. Payments to Suppliers

For all trade creditors it is the company's policy to agree the terms of payment at the start of business with that supplier. The company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

7. Political and Charitable Donations

During the period no political and charitable donations were made (2006 £nil)

8. Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

9. Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.



28th January 2008
Sheffield

By order of the board
M B Houghton
Secretary

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these financial statements, the directors are required to.

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

We have audited the financial statements of William Cook Foundry (Tow Law) Limited for the period ended 31st March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

28th January 2008
Leeds

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of Preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Turnover

Turnover is the net invoiced value of goods sold and services rendered outside the Group excluding value added tax

Tangible Fixed Assets and Depreciation

Tangible fixed assets are depreciated by equal annual instalments over their estimated useful lives as follows

Plant and equipment	-	10%
Fixtures and fittings	-	20%

Stocks

Stocks are stated at the lower of cost and net realisable value using the first in/first out method

Cost comprises the direct costs of production and the attributable proportion of all overheads appropriate to location and condition. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution

Leases

Rentals payable under operating leases are charged to the profit and loss account in the period in which they are incurred

Foreign Currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Differences arising on translation and on the conversion of ordinary foreign currency transactions during the period are dealt with as part of the profit on ordinary activities.

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

Post Retirement Benefits

The company participates in an active Group defined contribution pension scheme. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The defined benefit section of the Group's pension scheme was closed to new members in 1997. The assets of the scheme are held separately from those of the Group. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Deferred Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'.

Cash Flow Statement

Under FRS 1 'Cash flow statements' the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the company in its own published consolidated financial statements.

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

PROFIT AND LOSS ACCOUNT

Period ended 31st March 2007

	Notes	Period Ended 31 st March 2007 £	Period Ended 1 st April 2006 £
TURNOVER	1	1,088,867	1,688,580
Cost of sales		(992,538)	(1,393,955)
		<hr/>	<hr/>
GROSS PROFIT		96,329	294,625
Net operating expenses			
Normal	2	(125,688)	(167,179)
Exceptional	2	(81,792)	-
		<hr/>	<hr/>
OPERATING (LOSS) / PROFIT		(111,151)	127,446
Costs of fundamental reorganisation	3	(142,860)	-
		<hr/>	<hr/>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(254,011)	127,446
Taxation	6	75,267	(40,432)
		<hr/>	<hr/>
(LOSS) / PROFIT FOR THE FINANCIAL PERIOD		(178,744)	87,014
		<hr/> <hr/>	<hr/> <hr/>

There is no difference between the results as disclosed above and those stated on an historical cost basis

There are no recognised gains and losses other than the loss for the period

The results for the current and prior periods relate to discontinued operations

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

BALANCE SHEET **As at 31st March 2007**

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	7	12,355	60,094
CURRENT ASSETS			
Stocks	8	-	50,926
Debtors	9	630,028	950,358
Cash at bank and in hand		-	58,750
		<hr/>	<hr/>
		630,028	1,060,034
CREDITORS			
Amounts falling due within one year	10	(76,150)	(371,844)
		<hr/>	<hr/>
NET CURRENT ASSETS		553,878	688,190
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		566,233	748,284
Group company loan account		(536,901)	(536,901)
PROVISIONS FOR LIABILITIES AND CHARGES	11	-	(3,307)
		<hr/>	<hr/>
NET ASSETS		29,332	208,076
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
Called up share capital	12	50,000	50,000
Capital reserve	13	120,421	120,421
Profit and loss account	13	(141,089)	37,655
		<hr/>	<hr/>
EQUITY SHAREHOLDER'S FUNDS		29,332	208,076
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 7 to 18 were approved by the Board of Directors on 28th January 2008 and signed on its behalf by


A J COOK
DIRECTOR

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Turnover

The company engages in only one class of business. The analysis of turnover by destination was as follows:

	2007 £	2006 £
United Kingdom	1,060,486	1,680,552
Continental Europe	28,381	8,028
	<hr/>	<hr/>
	1,088,867	1,688,580
	<hr/>	<hr/>

2. Net Operating Expenses

Distribution costs	21,415	32,446
Administrative expenses		
Normal	104,273	134,733
Exceptional	81,792	-
	<hr/>	<hr/>
Total administrative expenses	186,065	134,733
	<hr/>	<hr/>
	207,480	167,179
	<hr/>	<hr/>

The exceptional item comprises pension scheme bulk transfer exercise costs. The Group, in conjunction with the Trustees of the pension scheme, undertook an exercise whereby deferred members of the defined benefit section of the scheme were offered an enhanced Transfer Value to leave the scheme at a cost to the company of £81,792.

3. Costs of Fundamental Reorganisation

During the period the operations of the company were discontinued. Employment termination costs of £142,860 were incurred.

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

4. Staff Costs

	2007 £	2006 £
Wages and salaries	334,094	533,781
Social security costs	24,630	48,775
Other pension costs	89,557	10,550
	<u>448,281</u>	<u>593,106</u>
	Number	Number
Average number employed during the period		
Manufacturing	17	24
Sales and administration	3	3
	<u>20</u>	<u>27</u>

5. (Loss) / Profit on Ordinary Activities Before Taxation

The (loss) / profit on ordinary activities before taxation is stated after charging

	2007 £	2006 £
Auditors' remuneration	3,000	2,000
Depreciation	36,823	41,640
Operating lease rentals.		
Plant and machinery	6,450	6,404
Other	71,061	63,396
	<u>71,061</u>	<u>63,396</u>

Non-audit fees paid to KPMG LLP during the period were in respect of taxation fees and amounted to £nil (2006 £1,000).

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

6. Taxation

	2007 £	2006 £
Current tax on (loss) / profit for the period	(66,759)	49,160
Deferred tax (note 11).		
Current period	(7,732)	(8,247)
Adjustments relating to prior period	(776)	(481)
	<u>(75,267)</u>	<u>40,432</u>
Tax on (loss) / profit on ordinary activities	<u>(75,267)</u>	<u>40,432</u>

The current tax credit for the period is lower (2006 charge higher) than the standard rate of corporation tax in the UK (30%, 2006: 30%) The differences are explained below

Current tax reconciliation

(Loss) / profit on ordinary activities before taxation	(254,011)	127,446
Current tax at 30% (2006: 30%)	(76,203)	38,234
Effects of		
Expenses not deductible for tax purposes	1,712	2,679
Timing differences between capital allowances and depreciation for period	8,830	8,765
Other short-term timing differences	(1,098)	(518)
Total current tax (credit) / charge (see above)	<u>(66,759)</u>	<u>49,160</u>

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

7. Tangible Fixed Assets

	Plant and Equipment £
Cost	
1 st April 2006	450,288
Additions - External	1,557
Disposals - Group	(19,971)
	<hr/>
31 st March 2007	431,874
	<hr/> <hr/>
Depreciation.	
1 st April 2006	390,194
Charge for the period	36,823
Disposals - Group	(7,498)
	<hr/>
31 st March 2007	419,519
	<hr/> <hr/>
Net Book Value	
31 st March 2007	12,355
	<hr/> <hr/>
1 st April 2006	60,094
	<hr/> <hr/>

8. Stocks

	2007 £	2006 £
Raw materials and consumables	-	11,108
Work in progress	-	39,818
	<hr/>	<hr/>
	-	50,926
	<hr/> <hr/>	<hr/> <hr/>

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

9. Debtors

	2007 £	2006 £
Due within one year		
Trade debtors	81,826	189,580
Due from group companies	453,593	729,078
Corporation tax	66,759	-
Other taxation and social security	22,649	-
Prepayments and accrued income	-	31,700
Due after more than one year		
Deferred tax (note 11)	5,201	-
	<u>630,028</u>	<u>950,358</u>

10. Creditors

Amounts falling due within one year

Bank overdraft	59	-
Trade creditors	16,455	68,573
Due to group companies	59,340	176,156
Corporation tax	-	49,160
Other taxation and social security	296	14,381
Accruals and deferred income	-	55,445
Other creditors	-	8,129
	<u>76,150</u>	<u>371,844</u>

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

11. Provisions for Liabilities and Charges

	2007 £	2006 £
Deferred taxation:		
At beginning of period	3,307	12,035
Credit for the period	(8,508)	(8,728)
	<hr/>	<hr/>
At end of period	(5,201)	3,307
	<hr/>	<hr/>

The deferred tax asset is included within debtors falling due after more than one year (note 9)

The elements of deferred taxation are as follows

Difference between accumulated depreciation and amortisation and capital allowances	(5,084)	4,522
Other timing differences	(117)	(1,215)
	<hr/>	<hr/>
	(5,201)	3,307
	<hr/>	<hr/>

A deferred tax asset has been recognised on the anticipation of future taxable earnings

12. Called Up Share Capital

	2006 and 2007	
	Authorised	Allotted and Fully Paid
	£	£
Ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

13. Capital and Reserves

	Share Capital £	Capital Reserve £	Profit & Loss A/C £	Total £
At 1 st April 2006	50,000	120,421	37,655	208,076
Loss for the financial period	-	-	(178,744)	(178,744)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2007	50,000	120,421	(141,089)	29,332
	<hr/>	<hr/>	<hr/>	<hr/>

14. Capital Commitments

There were no contracted capital commitments at the period end (2006 £nil)

15. Operating Lease Commitments

Annual commitments under non-cancellable operating leases which expire

	2007 £	2006 £
Within two to five years	-	70,000
	<hr/>	<hr/>

16. Contingent Liabilities

As part of the Group's banking arrangements, there are cross guarantees in place between the company and its ultimate holding company and certain fellow subsidiary undertakings. Under the terms of the inter-creditor agreement bank borrowings and facilities of £1,785,000 (2006 £15,135,000) are guaranteed.

WILLIAM COOK FOUNDRY (TOW LAW) LIMITED

17. Pension Commitments

The company participates in a Group funded pension scheme with two classes of members; a defined benefit section and a defined contribution section. The assets are held separately from those of the Group.

Defined Benefit Section

The company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis and as permitted by FRS 17, the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme. The company's normal contribution for the period was £4,352 (2006: £5,444). Payments made in respect of the bulk transfer exercise were £81,792 (2006: £nil).

The latest full actuarial valuation was updated for FRS 17 purposes to 31st March 2007 by a qualified independent actuary. This shows a surplus for the Group scheme of £133,000. Full disclosure of the valuation is presented in the consolidated financial statements.

In the course of the period the Group, in conjunction with the Trustees of the pension scheme, continued the process begun in the prior period of extinguishing its liabilities to the members of the defined benefit section of the scheme. As at the date of the approval of these financial statements all liabilities to the defined benefit members had been insured under policies taken out by the Trustees with Legal and General Assurance Society Limited and Paternoster UK Limited.

Defined Contribution Section

The pension cost for the period represents contributions payable by the company to the scheme and amounted to £3,413 (2007: £4,269).

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

18. Related Party Transactions

Under FRS 8 'Related party disclosures' the company is exempt from the requirements to disclose related party transactions with the William Cook Group, on the grounds that it is a wholly owned subsidiary of William Cook Holdings Limited.

19. Ultimate Holding Company

The ultimate holding company is William Cook Holdings Limited, a company registered in England and Wales.