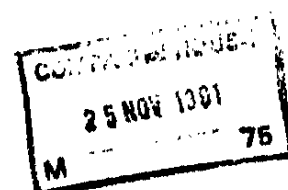


STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1991

(Registered in England, Number 853935)



STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31st March 1991.

Principal activity

The principal activity of the group is that of steel stockholding.

Business review

The company has made significant progress during the past year as the increase in turnover shows. The lower level of profitability reflects the deepness of the recession which has created a buyers market. During the year the company has continued to strengthen its sales force giving wider geographic coverage to build upon its fine reputation. Our achievement in the face of the recession is one of which all employees and shareholders may be proud.

The current year is maintaining the strong sales growth although margins are under even greater pressure than last year. Our policy of increasing our sales representation and facilities has continued with the acquisition of SPS Rapid Steels Limited - formerly Rapid Steel Services Limited. Their high reputation as a steel profiler has enabled them to successfully add to the range of services we offer.

The continued strength of our major customers in North Sea Fabrication will hopefully see us through the recession.

Results

The results of the group for the year are as follows:

	Year ended 31st March	
	1991	1990
	£	£
Turnover	24,625,460	20,046,715
Profit on ordinary activities before taxation	849,927	1,457,894
Taxation	(390,862)	(574,026)
Profit on ordinary activities after taxation	459,065	883,868

Dividend

The directors do not recommend a dividend in respect of the financial year (1990: a dividend of £2,385,000 was paid).

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT
 (continued)

Post balance sheet event

On 2nd May 1991 the company acquired the whole of the issued share capital of High Yield Steel Limited, a company incorporated in England.

On 14th May 1991 High Yield Steel Limited acquired the assets and undertaking of Rapid Steel Services Limited, a subsidiary of James Bridge Steel Services limited. On the same day High Yield Steel Limited changed its name to SPS Rapid Steels Limited.

Significant changes in fixed assets

The movements in fixed assets are set out in notes 10 and 11 in the accounts.

Directors and directors' interests

The directors who held office during the year together with their interests in the share capital of the company were as follows:

	At 31st March 1991 Number	At 31st March 1990 or date of appointment Number
R.J. Robbins (Chairman)	19,800	19,800
Mrs. P. Robbins	15,800	53,200
J.J. Robbins	29,507	3,500
J.R. Jelfs	-	-
M.N. Robbins (appointed 6th April 1990)	16,393	5,000
P.R. Brampton (appointed 24th April 1990)	-	-

Mrs. P. Robbins and Mr. J.J. Robbins retire by rotation at the next annual general meeting and, being eligible, offer themselves for re-election.

Political donation

During the year the company made a donation of £5,000 to the Conservative and Unionist Party.

Charitable donations

During the year the company made donations of £10,000 to SENSE in the Midlands and £5,000 to SENSE in Scotland.

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT
(continued)

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming annual general meeting.

This report was approved by the board of directors on 5th November 1991 and signed on its behalf by:

J. A. G. ~

Secretary

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE MEMBERS OF
STEEL PLATE AND SECTIONS LIMITED

We have audited the accounts on pages 5 to 22 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31st March 1991 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Birmingham

Chartered Accountants
Registered Auditor

5th November 1991

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 1991

	Note	1991 £	1990 £
Turnover	2	24,625,460	20,046,715
Change in stocks of finished goods and goods for resale		(36,506)	2,609,915
Other operating income		28,654	-
Raw materials and consumables		(18,565,651)	(17,559,300)
Staff costs	5	(1,664,925)	(1,479,299)
Depreciation and other amounts written off tangible fixed assets		(174,146)	(128,570)
Other operating charges		(2,937,344)	(2,076,528)
Income from investments held as fixed assets		-	13,582
Interest receivable and similar income		1,375	78,146
Interest payable and similar charges	6	(426,990)	(46,767)
Profit on ordinary activities before taxation	3	<u>849,927</u>	<u>1,457,894</u>
Tax on profit on ordinary activities	7	(390,862)	(574,026)
Profit on ordinary activities after taxation		<u>459,065</u>	<u>883,868</u>
Extraordinary items	8	-	240,378
Profit after extraordinary items		<u>459,065</u>	<u>1,124,246</u>
Dividends		-	(2,385,000)
Retained profit/(loss) for the financial year	19	<u>459,065</u>	<u>(1,260,754)</u>

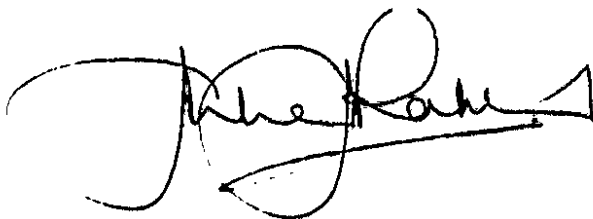
STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED BALANCE SHEET

AT 31st MARCH 1991

	Note	£	1991 £	£	1990 £
Fixed assets					
Tangible assets	10		763,830		655,337
Current assets					
Stocks	12	7,373,614		7,418,624	
Debtors	13	6,545,778		6,191,039	
Cash at bank and in hand		98,908		2,301	
		<u>14,018,300</u>		<u>13,611,964</u>	
Creditors: amounts falling due within one year	14	(8,126,227)		(8,098,972)	
Net current assets			<u>5,892,073</u>		<u>5,512,992</u>
Total assets less current liabilities			<u>6,655,903</u>		<u>6,168,329</u>
Creditors: amounts falling due after more than one year	15		(61,813)		(18,804)
Provisions for liabilities and charges	17		(32,000)		(30,900)
Net assets			<u>6,562,090</u>		<u>6,118,625</u>
Capital and reserves					
Called up share capital	18		90,000		90,000
Capital redemption reserve	19		10,000		10,000
Profit and loss account	19		6,462,090		6,018,625
			<u>6,562,090</u>		<u>6,118,625</u>

These accounts were approved by the board of directors on 5th November 1991 and signed on its behalf by:

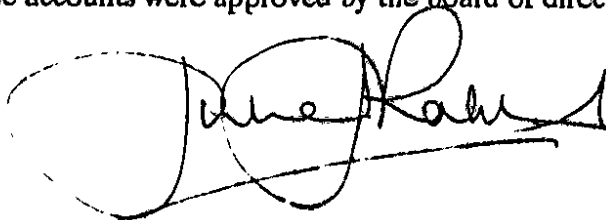


- Director

STEEL PLATE AND SECTIONS LIMITED**BALANCE SHEET****AT 31st MARCH 1991**

	Note	£	1991 £	£	1990 £
Fixed assets					
Tangible assets	10	763,369		651,316	
Investments	11	15,600		-	
			778,969		651,316
Current assets					
Stocks	12	7,328,325		7,383,254	
Debtors	13	6,517,521		6,076,207	
Cash at bank and in hand		98,516		1,914	
		13,944,362		13,461,375	
Creditors: amounts falling due within one year	14	(8,051,828)		(7,930,688)	
Net current assets			5,892,534		5,530,687
Total assets less current liabilities			6,671,503		6,182,003
Creditors: amounts falling due after more than one year	15		(61,813)		(18,804)
Provisions for liabilities and charges	17		(32,000)		(42,234)
Net assets			6,577,690		6,120,965
Capital and reserves					
Called up share capital	18		90,000		90,000
Capital redemption reserve	19		10,000		10,000
Profit and loss account	19		6,477,690		6,020,965
			6,577,690		6,120,965

These accounts were approved by the board of directors on 5th November 1991 and signed on its behalf by:



- Director

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31st MARCH 1991

	£	1991 £	£	1990 £
Results of operations				
Profit on ordinary activities before taxation		849,927		1,457,894
Extraordinary items		-		240,378
		<hr/> 849,927		<hr/> 1,698,272
Adjustments for items not involving the movement of funds:				
Depreciation	174,146		128,570	
Loss/(profit) on sale of tangible fixed assets	2,279		(20,495)	
Loss on sale of investments	-		58,662	
Surplus on sale of investment properties	-		(299,040)	
		<hr/> 176,425		<hr/> (132,303)
Funds generated from operations		<hr/> 1,026,352		<hr/> 1,565,969
Funds from other sources				
Proceeds of sale of tangible fixed assets	89,425		54,633	
Proceeds of sale of investment properties	-		1,029,077	
Proceeds of sale of investments held as fixed assets	-		168,510	
Increase in creditors falling due after more than one year	43,009		8,748	
		<hr/> 132,434		<hr/> 1,260,968
		<hr/> 1,158,786		<hr/> 2,826,937
Application of funds				
Purchase of tangible fixed assets	374,343		287,427	
Purchase of investments held as fixed assets	-		780	
Taxation paid	1,148,427		418,890	
Dividend paid	-		2,385,000	
Purchase of own shares	-		626,500	
Purchase of goodwill	15,600		-	
		<hr/> (1,538,370)		<hr/> (3,718,597)
Decrease in working capital		<hr/> (379,584)		<hr/> (891,660)

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBAIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31st MARCH 1991

(continued)

	£	1991 £	£	1990 £
Components of (decrease) in working capital				
Stocks		(45,010)		2,609,915
Debtors		379,739		837,789
Creditors falling due within one year		(2,288,025)		1,385,314
Movement in net liquid funds:				
Increase/(decrease) in cash at bank and in hand	96,607		(1,911,594)	
Decrease/(increase) in overdraft	1,477,105		(3,813,084)	
		<u>1,573,712</u>		<u>(5,724,678)</u>
		<u>(379,584)</u>		<u>(891,660)</u>

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1991

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's accounts:

(a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

(b) Depreciation

The rate of depreciation on motor vehicles is calculated using the reducing balance method at 25% of the asset's written down value. Rates of depreciation on other assets are calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Plant and machinery	- 15%
Office equipment	- 15%
Computer equipment	- 20%
Short leasehold improvements	- over period of lease

(c) Consolidation

The group accounts include the accounts of the holding company and all its subsidiary undertakings made up to the end of the financial year. The results of subsidiaries acquired during the year are included from the effective date of acquisition.

As permitted by Section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these accounts.

The amount attributed to goodwill is the difference between the fair value of the consideration given and the aggregate of the fair values of the separable net assets acquired.

(d) Stocks

Stocks are valued at the lower of cost and net realisable value.

(e) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date. Exchange differences arising in respect of the transactions and balances denominated in foreign currencies are reflected in the results for the year.

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1991

(continued)

1. Principal accounting policies (continued)

(f) Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

(g) Finance leases

Assets acquired by the group for its own use under finance leases are capitalised together with the corresponding liability. The finance charges on these agreements are charged to the profit and loss account in proportion to the outstanding liability.

(h) Operating leases

Lease payments on operating leases are charged to the profit and loss account in the year in which the charges are incurred.

(i) Pension costs

Pension benefits are provided by a defined contribution scheme. Costs are charged to the profit and loss account in the period they are incurred.

2. Turnover

Turnover by geographical area is analysed as follows:

	1991 £	1990 £
United Kingdom	21,798,236	18,632,702
Rest of Europe	562,890	559,927
North America	364,326	69,436
Other	1,900,008	784,650
	<u>24,625,460</u>	<u>20,046,715</u>

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1991
 (continued)

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/ (crediting) the following:

	1991 £	1990 £
Loss/(profit) on sale of tangible fixed assets	2,279	(20,495)
Auditors' remuneration and expenses	23,000	24,000
Directors' emoluments (see note 4)	413,750	193,333
Operating leases:		
Hire of plant and machinery	13,414	23,687
Hire of other assets	292,000	292,000
Income from listed investments	-	(13,582)
Rents receivable from property	(25,345)	(2,400)
Profit on foreign exchange	(3,309)	(20,421)
	<hr/>	<hr/>

4. Directors' emoluments

	1991 £	1990 £
Fees	15,000	15,000
Other emoluments	398,750	178,333
	<hr/>	<hr/>
	413,750	193,333
	<hr/>	<hr/>

Excluding pension contributions, the emoluments of the chairman were £17,278 (1990: £34,629); the emoluments of the highest paid director were £108,857 (1990: £80,096). The emoluments of the other directors were within the following ranges:

	1991 Number	1990 Number
£ 5,001 - £10,000	1	1
£40,001 - £45,000	1	-
£50,001 - £55,000	-	1
£60,001 - £65,000	1	-
£90,001 - £95,000	1	-
	<hr/>	<hr/>

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1991
 (continued)

5. Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	1991 Number	1990 Number
Sales and distribution	75	75
Administration	14	15
	<u>89</u>	<u>90</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	1,358,462	1,183,669
Social security costs	117,629	104,818
Pension costs	168,887	121,513
Redundancy and compensation for loss of office	19,947	69,299
	<u>1,664,925</u>	<u>1,479,299</u>

6. Interest payable and similar charges

	1991 £	1990 £
On bank overdrafts and other loans wholly repayable within five years	412,231	34,807
Discounting costs in respect of bills of exchange	-	6,942
Finance charges payable in respect of finance leases and hire purchase agreements	14,759	5,018
	<u>426,990</u>	<u>46,767</u>

7. Tax on profit on ordinary activities

	1991 £	1990 £
Corporation tax at 34% (1990: 35%) based on the profit for the year of the group	358,000	608,288
Under provision in respect of prior years	31,762	3,343
Deferred taxation at 33% (1990: 35%)	(12,000)	(41,000)
Deferred taxation - prior year including change in rate	13,100	-
Advance corporation tax in respect of investment income	-	3,395
	<u>390,862</u>	<u>574,026</u>

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1991
 (continued)

8. Extraordinary items

These are made up as follows:

	1991 £	1990 £
Profit on disposal of investment properties	-	299,040
(Loss) on disposal of investments held as fixed assets	-	(58,662)
	<u>-</u>	<u>240,378</u>

As a consequence of indexation and provisions in respect of investments made in earlier years no tax arose on these disposals.

9. Profit for the financial year

Of the profit for the financial year amounting to £459,065, a profit of £456,725 has been dealt with in the accounts of the company.

10. Tangible fixed assets

(a) Group

	Short leasehold improvements £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost				
At 1st April 1990	214,076	661,438	535,168	1,410,682
Additions	54,235	268,128	51,980	374,343
Disposals	-	(146,616)	-	(146,616)
At 31st March 1991	<u>268,311</u>	<u>782,950</u>	<u>587,148</u>	<u>1,638,409</u>
Depreciation				
At 1st April 1990	29,403	388,227	337,715	755,345
Charged in year	35,891	86,011	52,244	174,146
Disposals	-	(54,912)	-	(54,912)
At 31st March 1991	<u>65,294</u>	<u>419,326</u>	<u>389,959</u>	<u>874,579</u>
Net book value				
At 31st March 1991	<u>203,017</u>	<u>363,624</u>	<u>197,189</u>	<u>763,830</u>
At 31st March 1990	<u>184,673</u>	<u>273,211</u>	<u>197,453</u>	<u>655,337</u>

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1991
(continued)

10. **Tangible fixed assets (continued)**

The net book value of tangible fixed assets includes an amount of £185,629 (1990: £82,216) in respect of assets held under finance leases and hire purchase agreements. The amount of depreciation allocated during the year for such assets amounts to £30,649 (1990: £14,755).

(b) **Company**

	Short leasehold improvements £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost				
At 1st April 1990	214,076	622,654	524,536	1,361,266
Additions	54,235	268,128	51,770	374,133
Disposals	-	(146,616)	-	(146,616)
At 31st March 1991	<u>268,311</u>	<u>744,166</u>	<u>576,306</u>	<u>1,588,783</u>
Depreciation				
At 1st April 1990	29,403	351,942	328,605	709,950
Charged in year	35,891	83,512	50,973	170,376
Disposals	-	(54,912)	-	(54,912)
At 31st March 1991	<u>65,294</u>	<u>380,542</u>	<u>379,578</u>	<u>825,414</u>
Net book value				
At 31st March 1991	<u>203,017</u>	<u>363,624</u>	<u>196,728</u>	<u>763,369</u>
At 31st March 1990	<u>184,673</u>	<u>270,712</u>	<u>195,931</u>	<u>651,316</u>

The net book value of tangible fixed assets includes an amount of £185,629 (1990: £81,485) in respect of assets held under finance leases and hire purchase agreements.

The amount of depreciation allocated during the year for such assets amounts to £29,918 (1990: £11,819).

11. **Investments**

(a) **Group**

The Group's other unlisted investments are detailed below.

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1991
(continued)

11. Investments (continued)

(b) Company	Shares in group undertakings £	Other unlisted investments £	Total £
Cost			
At 1st April 1990	2,344	4,104	6,448
Additions	15,600	-	15,600
At 31st March 1991	<u>17,944</u>	<u>4,104</u>	<u>22,048</u>
Provision			
At 1st April 1990 and 31st March 1991	<u>2,344</u>	<u>4,104</u>	<u>6,448</u>
Net book value			
At 31st March 1991	<u>15,600</u>	<u>-</u>	<u>15,600</u>
At 31st March 1990	<u>-</u>	<u>-</u>	<u>-</u>

Shares in group undertakings are represented by the following subsidiary undertakings:

Name of company	Country of incorporation	Class of shares held	Proportion class held	Nature of business
Winsor Bond Generators Limited	England	Ordinary	100%	Manufacture of electrical generating equipment
Steel Plate and Sections (Scotland) Limited	Scotland	Ordinary	100%	Non-trading
Winsor Bond Silver Limited	England	Ordinary	100%	Marketing of silverware

The investment in and current account with Winsor Bond Generators Limited have been provided against within the accounts of the company to reflect the net liabilities of the subsidiary undertaking.

During the year the company acquired the entire ordinary share capital of Winsor Bond Silver Limited.

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1991

(continued)

12. Stocks

	Group £	1991 Company £	Group £	1990 Company £
Raw materials and consumables	17,294	-	25,798	-
Work in progress	27,995	-	13,938	-
Less: Progress payments	-	-	(4,366)	-
Finished goods and goods for resale	7,328,325	7,328,325	7,383,254	7,383,254
	<u>7,373,614</u>	<u>7,328,325</u>	<u>7,418,624</u>	<u>7,383,254</u>

13. Debtors

	Group £	1991 Company £	Group £	1990 Company £
Trade debtors	5,874,764	5,832,607	4,678,568	4,567,294
Amounts owed by group undertakings	-	20,853	-	-
Other debtors	304,111	298,476	1,137,292	1,135,809
Advance corporation tax recoverable	286,158	286,158	311,158	311,158
Prepayments and accrued income	80,745	79,427	64,021	61,946
	<u>6,545,778</u>	<u>6,517,521</u>	<u>6,191,039</u>	<u>6,076,207</u>

Included in other debtors is an amount of £31,966 due from Mr. J.J. Robbins, who is a director of the company. This was the maximum amount outstanding during the year. The loan is repayable on demand and bears no interest.

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1991

(continued)

14. Creditors: amounts falling due within one year

	Group £	1991 Company £	Group £	1990 Company £
Bank overdraft	2,525,463	2,461,334	4,002,568	3,895,729
Obligations under finance leases (see note 16)	58,544	58,544	17,098	17,098
Trade creditors	4,678,093	4,653,606	2,781,225	2,740,117
Bills of exchange payable	-	-	19,987	-
Other creditors including taxation and social security	770,100	792,100	1,215,353	1,226,353
Accruals and deferred income	94,027	86,244	62,741	51,391
	<u>8,126,227</u>	<u>8,051,828</u>	<u>8,098,972</u>	<u>7,930,688</u>
Other creditors including taxation and social security comprise:				
Corporation tax payable	361,869	383,869	145,096	156,096
Advance corporation tax payable	-	-	1,000,438	1,000,438
Other taxation and social security	229,321	229,321	36,417	36,417
Other creditors	178,910	178,910	33,402	33,402
	<u>770,100</u>	<u>792,100</u>	<u>1,215,353</u>	<u>1,226,353</u>

The company's bank overdraft is secured by fixed and floating charges over the company's assets.

15. Creditors: amounts falling due after more than one year

	Group and company 1991 £	1990 £
Obligations under finance leases (see note 16)	<u>61,813</u>	<u>18,804</u>

STEEL PLATE AND SECTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1991

(continued)

16. Obligations under finance leases

The maturity of obligations under finance leases is as follows:

	Group and company	
	1991	1990
	£	£
Within one year	74,372	23,038
In the second to fifth years inclusive	68,106	19,587
	<u>142,478</u>	<u>42,625</u>
Less: Future finance charges	(22,121)	(6,723)
	<u>120,357</u>	<u>35,902</u>

After allocation of future finance charges, these obligations have been disclosed as follows:

	Group and company	
	1991	1990
	£	£
Falling due within one year	58,544	17,098
Falling due after more than one year	61,813	18,804
	<u>120,357</u>	<u>35,902</u>

17. Provisions for liabilities and charges

(a) Group

Provisions for liabilities and charges for the Group represents deferred taxation as detailed below.

STEEL PLATE AND SECTIONS LIMITED
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FOR THE YEAR ENDED 31st MARCH 1991

(continued)

17. Provisions for liabilities and charges (continued)

(b) Company	Provision for insolvent subsidiary £	Deferred taxation £	Total £
Balance at 1st April 1990	11,334	30,900	42,234
(Credited)/debited to profit and loss account during the year	(11,334)	1,100	(10,234)
Balance at 31st March 1991	<u>-</u>	<u>32,000</u>	<u>32,000</u>

Deferred taxation provided represents the full provision for the following:

	1991 £	1990 £
Accelerated capital allowances	32,000	32,900
Other timing differences	-	(2,000)
	<u>32,000</u>	<u>30,900</u>

18. Called up share capital

	1991 £	1990 £
Authorised:		
Ordinary shares of £1 each	<u>125,000</u>	<u>125,000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>

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FOR THE YEAR ENDED 31st MARCH 1991
(continued)

19. Reserves

	Capital redemption reserve £	Profit and loss account £
Group		
At 1st April 1990	10,000	6,018,625
Profit for the financial year	-	459,065
Goodwill written off	-	(15,600)
At 31st March 1991	<u>10,000</u>	<u>6,462,090</u>

The cumulative amount of goodwill written off on acquisitions is £15,600 (1990: £Nil).

Goodwill arises as follows:

	£
Fair value of net assets acquired	Nil
Consideration given	15,600
Goodwill	<u>15,600</u>

Company		
At 1st April 1990	10,000	6,020,965
Profit for the financial year	-	456,725
At 31st March 1991	<u>10,000</u>	<u>6,477,690</u>

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FOR THE YEAR ENDED 31st MARCH 1991
(continued)

20. Commitments

- (a) There were no capital commitments outstanding for the group and the company at 31st March 1991 (1990: £Nil).
- (b) At 31st March 1991 the group and company had annual commitments under non-cancellable operating leases as follows:

	1991		1990	
	Land and buildings £	Others £	Land and buildings £	Others £
Operating leases which expire:				
Within one year	-	-	-	6,093
In the second to fifth year inclusive	82,000	18,780	13,000	2,241
Over five years	197,000	-	279,000	-
	<u>279,000</u>	<u>18,780</u>	<u>292,000</u>	<u>8,334</u>

21. Pension fund

The company operates a defined contribution pension scheme. The total pension costs charged to the profit and loss account for the year amounted to £168,887 (1990: £121,513).

22. Contingencies

The company's bank balance is a memorandum account which is shared with and consequently guarantees the overdraft of a subsidiary company. At 31st March 1991 the company's contingent liability under this scheme amounted to £64,129 (1990: £106,839).

In addition the company has entered into certain forward exchange contracts and other guarantees in the ordinary course of its business.

The directors of the company have stated in writing that it is their intention to continue to support the company's trading subsidiary, Winsor Bond Generators Limited. The company's accounts include full provision for the net liabilities of Winsor Bond Generators Limited at 31st March 1991.

23. Post balance sheet event

On 2nd May 1991 the company acquired the whole of the issued share capital of High Yield Steel Limited, a company incorporated in England.

On 14th May 1991 High Yield Steel Limited acquired the assets and undertaking of Rapid Steel Services Limited, a subsidiary of James Bridge Steel Services Limited. On the same day High Yield Steel Limited changed its name to SPS Rapid Steels Limited.