

993624

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

30TH SEPTEMBER, 1990

2-3-91
75

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

DIRECTORS

M.E. Sara
H.C. Everett
E. Johnson
E. Fisher
P. Harper

SECRETARY

J.J. Arrowsmith

REGISTERED OFFICE

P.O. Box No. 4,
Canal Street,
Brierley Hill,
West Midlands.
DY5 1J

AUDITORS

John W. Hinks & Co.,
Chartered Accountants,
Church House,
5-14 South Road,
Smethwick
Warley,
West Midlands.
B67 7BH.

BANKERS

Barclays Bank PLC
47 High Street,
Dudley,
West Midlands.
DY1 1PP.

CONTENTS

PAGE

Report of the Directors

1 - 2

Report of the Auditors

3

Profit and Loss Account

4

Balance Sheet

5

Statement of Source and Application
of Funds

6

Notes to the Financial Statements

7 - 13

Trading Account

14

Notes to Trading Account

15 - 16

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the 11 months ended 30th September 1990.

Principal Activity and Business Review

The principal activity of the company, which is unchanged from that of the previous year is steel stockholding.

Dividends

The directors recommend that no dividend be paid in respect of the period (1989 £107,500).

If this recommendation is approved losses sustained of £5,720 will be deducted from reserves.

Fixed Assets

Changes in fixed assets are set out in note 9 to the financial statements.

In the opinion of the directors the market value of interests in Freehold Properties held as fixed assets exceeded their book value but in the absence of a professional valuation such excess cannot be quantified.

Tax Status

As far as the directors are aware, the close company provisions of the Income and Corporation Taxes Act 1988, do not apply to the company. At 31st October 1989 the company was a close company as defined by the Income and Corporation Taxes Act 1988.

Holding Company

On the 29th March 1990, the company became a wholly owned subsidiary of Hill & Smith Holdings PLC, a company registered in England.

Directors

The directors in the company during the period together with their holdings of ordinary shares were as follows:

	<u>30th September 1990</u>	<u>31st October 1989</u> <u>or on appointment</u>
D.J. Lamb - resigned 1.12.90	-	4,000
Mrs. L.M. Lamb - resigned 29.3.90	-	-
E. Fisher	-	2,000
P. Harper	-	-
M.E. Sara - appointed 29.3.90	-	-
B.N. Bucknall - appointed 29.3.90	-	-
resigned 6.11.90	-	-
E. Johnson - appointed 29.3.90	-	-

Mr. H.C. Everett was appointed a director on 6th November 1990.

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

REPORT OF THE DIRECTORS (continued)

Messrs. M.E. Sara, E. Johnson and H.C. Everett having been appointed since the last Annual General Meeting, retire and offer themselves for re-election.

Directors Interests in the Shares of the Parent Company

The interests of the directors of this company, at 30th September in the shares of the Parent Company, Hill & Smith Holdings PLC, according to the register required to be kept by the Companies Act 1985, were as follows:

	<u>30th September 1990</u>	<u>31st October 1989</u> <u>or on appointment</u>
M.E. Sara	64,078	56,878
B.N. Bucknall - resigned 6.11.90	168,216	168,216
E. Johnson	40,109	40,109
H.C. Everett - appointed 6.11.90	-	-

Auditors

John W. Hinks & Co., Chartered Accountants, offer themselves for re-appointment in accordance with Section 384, Companies Act 1985.

BY ORDER OF THE BOARD

J.J. ARROWSMITH

SECRETARY

11th January, 1991

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

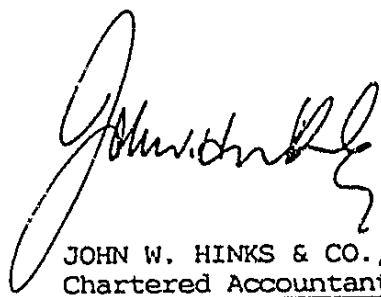
REPORT OF THE AUDITORS TO THE MEMBERS OF
D. & J. (STEELS) LIMITED

We have audited the financial statements on pages 4 to 13 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 30th September 1990 and of its loss and source and application of funds for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Church House,
5-14 South Road,
Smethwick,
Warley,
West Midlands.
B67 7BH

11th January 1991



JOHN W. HINKS & CO.,
Chartered Accountants

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

PROFIT AND LOSS ACCOUNT _____ FOR THE 11 MONTHS ENDED 30TH SEPTEMBER, 1990 _____

	Notes	£	11 mos. ended 30th September 1990 £	Year ended 31st October 1989 £
<u>Turnover</u>	1		4,454,878	5,246,993
<u>Cost of Sales</u>			4,020,320	4,701,656
<u>Gross Profit</u>			434,558	545,337
<u>Distribution Costs</u>		43,367		32,025
<u>Administrative Expenses</u>		296,640		413,227
			340,007	445,252
<u>Operating Profit</u>	3		94,551	100,085
<u>Interest</u>	6		83,881	64,257
<u>Profit on Ordinary Activities before Tax</u>			10,670	35,828
<u>Tax on Profit on Ordinary Activities</u>	7		16,390	13,884
<u>(Loss)/Profit on Ordinary Activities after Tax</u>			(5,720)	21,944
<u>Dividend Paid and Proposed</u>	8		-	107,500
<u>Amount Transferred from Reserves</u>	17		(5,720)	(85,556)

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill Smith Holdings PLC)

BALANCE SHEET 30TH SEPTEMBER, 1990

			30th September 1990	31st October 1989
	Notes	£	£	£
Fixed Assets				
Tangible Assets	9		406,401	399,359
Current Assets				
Stocks	11	929,367		399,163
Debtors	12	1,350,057		1,462,387
Cash in Hand		230		310
		2,279,654		1,861,860
Creditors: Amounts due within one year	13	2,289,039		1,789,741
Net Current (Liabilities)/Assets			(9,385)	72,119
Total Assets less Current Liabilities			397,016	471,478
Creditors: Amounts due after one year	14		18,076	95,051
Provisions for Liabilities and Charges	15		27,000	18,767
Net Assets			351,940	357,660
Capital and Reserves				
Called up Share Capital	16		6,000	6,000
Profit and Loss Account	17		345,940	351,660
			351,940	357,660

These financial statements were approved by the board on 11th January 1991.

M.E. SARA)
H.C. EVERETT) DIRECTORS

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

FOR THE 11 MONTHS ENDED
30TH SEPTEMBER 1990

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	<u>11 mos. ended</u> <u>30th September</u> <u>1990</u> <u>£</u>	<u>Year ended</u> <u>31st October</u> <u>1989</u> <u>£</u>
<u>Source of Funds</u>		
Profit on Ordinary activities before taxation	10,670	35,828
Adjustments for Items not involving the movement of funds:		
Depreciation	25,691	29,785
Loss on sale of tangible fixed assets	-	1,517
<u>Total Generated from Operations</u>	<u>36,361</u>	<u>67,130</u>
<u>Funds from Other Sources</u>		
Sale Proceeds of tangible fixed assets	6,212	14,560
Loan Capital	614,858	-
	<u>657,431</u>	<u>81,690</u>
<u>Application of Funds</u>		
Purchase of tangible fixed assets	(38,945)	(67,329)
Dividends Paid	-	(107,500)
Tax paid	(46,786)	(13,631)
Loans repaid	(97,500)	(3,997)
	<u>(183,231)</u>	<u>(192,457)</u>
<u>Increase (Decrease) in Working Capital</u>	<u>474,200</u>	<u>(110,767)</u>
<u>Represented By:</u>		
Increase (Decrease) in stocks	530,204	(151,023)
(Decrease) Increase in debtors	(106,673)	252,474
Increase) in creditors	(29,597)	(166,494)
	<u>393,934</u>	<u>(65,043)</u>
<u>Movement in Net Liquid Funds</u>		
Increase (Decrease) in cash at bank and in hand	80,266	(45,724)
	<u>474,200</u>	<u>(110,767)</u>

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES

30TH SEPTEMBER, 1990

1. Accounting Policies

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

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention.

(b) Depreciation

Depreciation is provided to write off the cost or valuation of the Fixed Assets excluding Land at the following rates:-

Freehold Property	- 2% straight line
Plant and Machinery	- 10% written down value
Fixtures and Fittings	- 10% written down value
Motor Vehicles	- 20% written down value

(c) Stocks

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

(d) Deferred Tax

Provision is made in respect of timing differences arising from accelerated capital allowances and other timing differences to the extent that such liabilities are, in the opinion of the directors, expected to become payable in the foreseeable future.

(e) Turnover

This represents the value of goods sold less returns excluding value added tax.

(f) Pension Scheme Arrangements

Contributions are charged to the profit and loss account, so as to spread the cost of pension evenly over the members working lives with the company.

2. Turnover and Profit

The whole of the turnover and profit is derived from the business of steel stockholding carried on in the United Kingdom.

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES

30TH SEPTEMBER, 1990

	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
3. <u>Operating Profit</u>		
Operating Profit is stated after charging:		
Depreciation:- tangible fixed assets owned	16,277	29,785
:- held under finance leases and hire purchase contracts	9,414	-
Loss on sale of Fixed Assets	-	1,517
Hire of Plant and Equipment	390	-
Auditors' Remuneration	3,000	1,200
	<u> </u>	<u> </u>
4. <u>Directors Remuneration</u>		
Remuneration as Executives (including pension contributions) being total Remuneration in arriving at Operating Profit	56,847	122,640
	<u> </u>	<u> </u>
Analysis of Directors Remuneration as Executives (excluding Pension Contributions)		
Highest paid director	18,867	49,818
Other directors	<u>Number</u>	<u>Number</u>
£ 0 - £ 5,000	3	-
£ 5,001 - £ 10,000	1	1
£ 15,001 - £ 20,000	2	1
£ 45,001 - £ 50,000	-	1
5. <u>Particulars of Employees</u>		
The average number of persons employed by the company (including directors) during the period was:		
Category	<u>1990</u>	<u>1989</u>
Administration and Sales	17	16
Production	10	11
	<u> </u>	<u> </u>
	27	27
	<u> </u>	<u> </u>
Their total remuneration was:	<u>£</u>	<u>£</u>
Wages and salaries	251,431	346,692
Social Security costs	26,274	36,229
Other pension costs	16,269	15,139
	<u> </u>	<u> </u>
	293,974	398,060
	<u> </u>	<u> </u>

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES _____ 30TH SEPTEMBER, 1990 _____

	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
6. <u>Interest</u>		
<u>Payable</u>		
On Loans and Overdrafts Repayable:		
within 5 years, not by instalments	70,237	45,920
within 5 years, by instalments	9,525	16,102
On finance leases and hire purchase contracts	4,119	2,235
	<u>83,881</u>	<u>64,257</u>
7. <u>Taxation</u>		
Corporation Tax at 35% (1989 25%)	8,157	13,453
Deferred Tax	8,233	253
Interest on overdue Corporation Tax	-	180
Prior year adjustment:		
Corporation Tax	-	(2)
	<u>16,390</u>	<u>13,884</u>
8. <u>Dividends</u>		
Dividend on 6,000 Ordinary Shares	-	107,500

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES

30TH SEPTEMBER, 1990

9. Tangible Fixed Assets

	<u>Freehold Property</u> £	<u>Plant Equipment & Vehicles</u> £	<u>Total</u> £
Cost			
At 1st November 1989	256,173	340,048	596,221
Additions	-	38,945	38,945
Disposals	-	(9,340)	(9,340)
	<hr/>	<hr/>	<hr/>
At 30th September 1990	256,173	369,653	625,826
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1st November 1989	17,618	179,244	196,862
Provision for the period	3,232	22,459	25,691
Disposals	-	(3,128)	(3,128)
	<hr/>	<hr/>	<hr/>
At 30th September 1990	20,850	198,575	219,425
	<hr/>	<hr/>	<hr/>
Net Book Value at 30th September 1990	235,323	171,078	406,401
	<hr/>	<hr/>	<hr/>
Net Book Value at 31st October 1990	238,555	160,804	399,359
	<hr/>	<hr/>	<hr/>
The net book values of Property comprises:		<u>1990</u> £	<u>1989</u> £
		80,000	80,000
Freehold Land		155,323	158,555
Freehold Buildings		<hr/>	<hr/>
		235,323	238,555
		<hr/>	<hr/>

Included in the total net book value of tangible fixed assets held at 30th September 1990 was £50,831 (1989 £176,173) in respect of assets held under finance leases and hire purchase contracts.

10. Capital Commitments

	<u>1990</u> £	<u>1989</u> £
Authorised but not contracted for	10,000	-
	<hr/>	<hr/>

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES 30TH SEPTEMBER, 1990

	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
11. <u>Stocks</u>		
Raw Materials and Consumables	929,157	399,163
	<u> </u>	<u> </u>
12. <u>Debtors</u>		
Trade debtors	1,129,033	1,426,831
Amounts owed by group companies	163,502	-
Corporation Tax	27,676	-
Prepayments and accrued income	29,846	2,223
A.C.T. recoverable	-	33,333
	<u> </u>	<u> </u>
	1,350,057	1,462,387
	<u> </u>	<u> </u>
13. <u>Creditors</u> (amounts due within one year)		
Bank Loans and Overdrafts	213,645	309,591
Hire Purchase Commitments	12,803	20,813
Trade Creditors	1,410,521	1,179,012
Amounts owed to Group Companies	614,858	-
Other Creditors	9,909	-
A.C.T. Payable	-	33,333
Corporation Tax	-	10,953
Other Taxes and Social Security	18,110	78,765
Accruals	9,193	-
Proposed Dividend	-	100,000
Directors Current Accounts	-	57,274
	<u> </u>	<u> </u>
	2,289,039	1,789,741
	<u> </u>	<u> </u>

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES _____ 30TH SEPTEMBER, 1990 _____

	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
14. <u>Creditors</u> amounts due after one year		
Bank Loans and Overdrafts	-	81,900
Hire Purchase Commitments	18,076	13,151
	<u>18,076</u>	<u>95,051</u>
The Borrowings shown above are repayable as follows:		
Between one and five years	18,076	75,551
After five years by instalments	-	19,500
	<u>18,076</u>	<u>95,051</u>
Interest on Bank Borrowing is payable at normal joint stock banking rates.		
Bank borrowing is secured by a charge over the company's freehold property and cross guarantee by Hill & Smith Holdings PLC		
15. <u>Provision for Liabilities and Charges</u>		
<u>Deferred Tax</u>		
The liability relates to accelerated capital allowances as follows:-		
Provided	27,000	18,767
16. <u>Share Capital</u>		
Authorised 10,000 Shares of £1 each	10,	10,000
Called up and fully paid 6,000 Shares of £1 each	6,000	6,000

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES

30TH SEPTEMBER, 1990

	<u>1990</u>	<u>1989</u>
	<u>£</u>	<u>£</u>
<u>Reserves - Profit and Loss Account</u>		
At 1st November 1989	351,660	437,216
Loss for the period	(5,720)	(85,556)
	<hr/>	<hr/>
At 30th September 1990	345,940	351,660
	<hr/>	<hr/>

... Contingent Liabilities

The company is a party to guarantees given for Bank loans and overdrafts of the Parent Company and certain fellow subsidiaries.

... Pension Scheme

The company operates a defined contribution scheme, and the assets of the scheme are held separately from those of the company in an independently administered Fund. The pension costs charged to the profit and loss account of £16,269 (1989 - £15,139) represents contributions payable by the company to the fund.

20. Parent Company

On 29th March 1990 the company became a wholly owned subsidiary of Hill & Smith Holdings PLC, a company incorporated in England.

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

TRADING AND PROFIT & LOSS ACCOUNT

FOR THE 11 MONTHS ENDED
 30TH SEPTEMBER 1990

	<u>Notes</u>	<u>£</u>	<u>11 months ended</u> <u>30th September 1990</u> <u>£</u>	<u>Year ended</u> <u>31st October 1989</u> <u>£</u>
<u>Sales</u>			4,454,878	5,246,993
Opening Stock & Work in Progress		399,163		550,186
Purchases		4,364,699		4,322,377
Closing Stock & Work in Progress		(929,367)		(399,163)
			3,834,495	4,473,400
<u>Gross Profit</u>			620,383	773,593
Direct Costs	1		287,512	321,188
<u>Trading Profit</u>			332,871	452,405
Administration & Selling Costs	2		150,048	177,427
Profit before financial Charges			182,823	274,978
Financial Charges	3		172,153	239,150
Profit for the period ended 30th September 1990			10,670	35,828

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings Ltd)

FOR THE 11 MONTHS ENDED

NOTES TO THE TRADING AND PROFIT & LOSS ACCOUNT 30TH SEPTEMBER 1990

	<u>11 mos. ended</u> <u>30th September</u> <u>1990</u> <u>£</u>	<u>Year ended</u> <u>31st October</u> <u>1989</u> <u>£</u>
1. <u>Direct Costs</u>		
Wages and National Insurance	220,858	260,281
Repairs and Consumables	55,913	49,935
Light and Heat	10,741	10,972
	<hr/> 287,512 <hr/>	<hr/> 321,188 <hr/>
2. <u>Administration and Selling Costs</u>		
Pension Scheme	16,269	15,139
Rent, Rates & Insurance	46,326	49,207
Motor, Travelling and Entertaining	38,282	56,200
Printing, Stationery and Advertising	9,370	14,633
Telephone & Postages	18,244	20,049
Bank Charges	8,196	6,892
Sundry Expenses	13,361	15,307
	<hr/> 150,048 <hr/>	<hr/> 177,427 <hr/>

D. & J. (STEELS) LIMITED
 a wholly owned subsidiary of Hill & Smith Holdings PLC)

FOR THE 11 MONTHS ENDED
 30TH SEPTEMBER 1990

THE TRADING AND PROFIT & LOSS ACCOUNT

	<u>11 mos. ended</u> <u>30th September</u> <u>1990</u> <u>£</u>	<u>Year ended</u> <u>31st October</u> <u>1989</u> <u>£</u>
<u>Financial Charges</u>		
Directors Remuneration	56,847	122,640
Depreciation	25,691	29,785
Bank Interest	64,904	62,022
Audit, Accountancy and Taxation	4,500	14,500
Debt Collection	423	375
Hire Purchase Interest	4,119	2,235
Bad Debts	811	6,063
Interest on Loan from Group Company	14,858	-
Loss on Disposal of Fixed Asset	-	1,517
Discounts Allowed	-	13
	<u>172,153</u>	<u>239,150</u>