

REPORT AND ACCOUNTS

Cooper (Great Britain) Limited

31 DECEMBER 1992



 ERNST & YOUNG

# Cooper (Great Britain) Limited

Registered No. 1080126

## DIRECTORS

Abogado Nominees Limited

D K Schumacher (USA)

J D Carne

## SECRETARY

Abogado Nominees Limited

D K Schumacher (USA)

## AUDITORS

Ernst & Young

George House

50 George Square

Glasgow

G2 1RR

## BANKERS

National Westminster Bank Plc

15 Bishopgate

London

EC2P 2AP

## SOLICITORS

Baker & McKenzie

100 New Bridge Street

London

EC4V 6JA

## REGISTERED OFFICE

100 New Bridge Street

London

EC4V 6JA



# **Cooper (Great Britain) Limited**

## **DIRECTORS' REPORT**

The directors present their report and the group accounts for the year ended 31 December 1992.

### **RESULTS AND DIVIDENDS**

The group loss for the year, after taxation amounted to £2,642,000 before charging extraordinary items of £4,000,000. This leaves a retained loss of £6,642,000.

The directors do not recommend the payment of a final ordinary dividend.

### **REVIEW OF THE BUSINESS**

The group has had a satisfactory year with the increase in sales being attributable to the transfer of the business of Cameron Iron Works Limited to Cooper (Great Britain) Limited on 31 December 1991.

The directors have decided that the group should withdraw from the manufacture and sale of tools for use in mining, contracting, quarrying and engineering industries. Provision has been made for the costs and losses associated with the sale of this division.

### **PRINCIPAL ACTIVITIES**

The group's principal activities during the year were the manufacture and sale of a wide range of engineering products for the oil, gas transmission, automotive, electrical and other engineering industries.

### **MARKET VALUE OF LAND AND BUILDINGS**

In the opinion of the directors the market value of land and buildings is in excess of the book value.

### **FIXED ASSETS**

The changes in fixed assets during the year are summarised in the notes to the accounts.

### **FUTURE DEVELOPMENTS**

The group will continue to improve its products and services to meet market demand.

### **DIRECTORS AND THEIR INTERESTS**

The directors at 31 December 1992 were as follows:

Abogado Nominees Limited

J D Carne

D K Schumacher (USA)

There are no directors' interests requiring disclosure under the Companies Act 1985.

### **DISABLED EMPLOYEES**

The group give full and fair consideration to applications for employment made by disabled persons and, where appropriate, would arrange for the retraining of those who became disabled whilst in employment. The group also endeavour to give equal opportunities of training, career development and promotion to all employees.

# Cooper (Great Britain) Limited

## DIRECTORS' REPORT

### EMPLOYEE INVOLVEMENT

The group recognises its responsibility to provide its employees with information of concern to them and to encourage their participation in the group's development. This is achieved by various means, including:

- (a) works committees
- (b) employee suggestion schemes
- (c) local notices and bulletins

### CHARITABLE CONTRIBUTIONS

During the year the group made contributions to various charities amounting to £29,000.

### AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

*D K Schumacher* ..... Director  
D K Schumacher

*July 29, 1993* ..... Date



REPORT OF THE AUDITORS  
to the members of Cooper (Great Britain) Limited

We have audited the accounts on pages 5 to 20 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 of the group at 31 December 1992 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young*

Ernst & Young  
Chartered Accountants  
Registered Auditor  
Glasgow

..... *29 July 1993* ..... Date

# Cooper (Great Britain) Limited

## GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1992

	Notes	Year ended 31.12.92 £000	13 months 31.12.91 £000
<b>TURNOVER</b>	2	286,913	133,379
Cost of sales		241,930	115,469
<b>GROSS PROFIT</b>		44,983	17,910
Distribution and selling costs		22,708	8,551
Administrative expenses		16,950	7,151
		39,658	15,702
<b>OPERATING PROFIT</b>	3	5,325	2,208
Interest receivable	5	2,499	5,115
Interest payable	6	(8,250)	(6,243)
		(5,751)	(1,128)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(426)	1,080
Tax on (loss)/profit on ordinary activities	7	(2,216)	132
<b>(LOSS)/PROFIT BEFORE EXTRAORDINARY ITEM</b>		(2,642)	1,212
Extraordinary item	8	(4,000)	-
<b>(LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY</b>	9	(6,642)	1,212

Movements on retained profits are shown in Note 19 of the notes to the accounts.

# Cooper (Great Britain) Limited

## GROUP BALANCE SHEET

at 31 December 1992

	Notes	31.12.92 £000	31.12.91 £000
<b>FIXED ASSETS</b>			
Tangible assets:			
Land and buildings	10	16,784	16,468
Plant and machinery	10	28,109	26,171
Assets in the course of construction	10	202	1,024
		<u>45,095</u>	<u>43,663</u>
<b>CURRENT ASSETS</b>			
Stocks	12	87,248	82,043
Debtors	13	72,687	93,411
Investments		634	634
Cash at bank and in hand		63,196	50,621
		<u>223,765</u>	<u>226,709</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>195,908</u>	<u>194,230</u>
<b>NET CURRENT ASSETS</b>		<u>27,857</u>	<u>32,479</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>72,952</u>	<u>76,142</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	16	1,265	1,725
Other provisions	17	5,705	1,421
		<u>6,970</u>	<u>3,146</u>
		<u>65,982</u>	<u>72,996</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	-	-
Share premium account	19	9,450	9,450
Capital reserve	19	67,262	67,634
Profit and loss account	19	(10,730)	(4,088)
		<u>65,982</u>	<u>72,996</u>

*D K Schumacher* ..... Director  
D K Schumacher

*July 29, 1993* ..... Date

# Cooper (Great Britain) Limited

## BALANCE SHEET

at 31 December 1992

	Notes	31.12.92 £000	31.12.91 £000
<b>FIXED ASSETS</b>			
Tangible assets	10	45,095	43,663
<b>CURRENT ASSETS</b>			
Stock	12	87,248	82,043
Debtors	13	72,687	93,411
Investments		634	634
Cash at bank and in hand		63,196	50,621
		<u>223,765</u>	<u>226,709</u>
<b>CREDITORS: amounts falling due within one year</b>	15	195,908	194,230
<b>NET CURRENT ASSETS</b>		<u>27,857</u>	<u>32,479</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>72,952</u>	<u>76,142</u>
<b>CREDITORS: amounts falling due after more than one year:</b>			
Amounts due from subsidiary undertakings		65,905	66,277
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	16	1,265	1,725
Other provisions	17	5,705	1,421
		<u>6,970</u>	<u>3,146</u>
		<u>77</u>	<u>6,719</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	-	-
Share premium account	19	9,450	9,450
Profit and loss account	19	(9,373)	(2,731)
		<u>77</u>	<u>6,719</u>

*D K Schumacher* ..... Director  
D K Schumacher

*July 29, 1993* ..... Date



# Cooper (Great Britain) Limited

## GROUP STATEMENT OF CASH FLOWS

for the year ended 31 December 1992

	Notes	31.12.92 £000	31.12.91 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	3(b)	11,798	16,347
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		2,499	5,115
Interest paid		(8,250)	(6,243)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(5,751)	(1,128)
TAX PAID		(1,566)	-
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(9,721)	(2,565)
Receipts from sales of tangible fixed assets		-	16
Net inflow from acquisition/disposal of operating activities		-	6,626
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(9,721)	4,077
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(5,240)	19,296
FINANCING			
Repayment of long-term loans		-	1,250
NET CASH INFLOW FROM FINANCING		-	1,250
INCREASE IN CASH AND CASH EQUIVALENTS	14	(5,240)	18,046
		(5,240)	19,296

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1992

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards.

#### *Basis of consolidation*

The group accounts consolidate the accounts of Cooper (Great Britain) Limited and its subsidiary undertakings drawn up to 31 December. No profit and loss account is presented for Cooper (Great Britain) Limited as permitted by Section 230 of the Companies Act 1985.

#### *Goodwill*

Goodwill, representing the difference of purchase price over the fair value of net assets acquired, is written off directly against reserves.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	- over 20 to 50 years
Leasehold land and buildings	- over the lease term
Plant and machinery	- over 4 to 12 years

#### *Government grants*

Government grants on capital expenditure are deducted from the cost of the assets to which they relate.

Grants of a revenue nature are credited to income in the period to which they relate.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Raw materials	- purchase cost on a first-in, first-out basis
Work-in-progress and finished goods	- cost of direct materials and labour plus attributable overheads based on normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

#### *Stocks*

The valuation of stocks of finished goods and work-in-progress in Champion Spark Plug Division does not include any amount in respect of attributable production overheads. This is consistent with the valuation method applied at the previous year end and at the date of acquisition. If such overheads had been included in the valuation of stocks the effect on the group financial statements would be:

- (i) to decrease group trading profit for the year by £231,000 (1991 - £156,000 increase);
- (ii) to increase stock and work-in-progress at 31 December 1992 by £2,512,000 (1991 - £2,743,000).

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1992

### 1. ACCOUNTING POLICIES (continued)

#### *Warranty costs*

Provision is made to cover costs which may arise in the future in rectifying compression equipment which is covered by warranty guarantee.

#### *Research and development*

Research and development expenditure is written off as incurred.

#### *Deferred taxation*

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

#### *Foreign currencies*

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

#### *Leasing commitments*

Rentals paid under operating leases are charged to income as incurred.

#### *Pensions*

The group operates a number of defined benefit pension schemes which require contributions to be made to separately administered funds. Contributions to these funds are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives within the group.

### 2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax) and, in the case of long term contracts, the value of work done during the period.

An analysis of turnover by geographical market is given below:

	<i>Year ended</i>	<i>13 months</i>
	<i>31.12.92</i>	<i>31.12.91</i>
	<i>£000</i>	<i>£000</i>
United Kingdom	147,176	88,773
Other European Countries	51,803	29,216
North and South America	13,181	1,390
Africa	27,787	3,453
Australasia	5,985	956
Asia	40,981	9,591
	<u>286,913</u>	<u>133,379</u>

Turnover and group profit before taxation are not analysed by each class of business as the directors believe it would be detrimental to the interests of the group. For the same reason the directors have not included an analysis of net assets by class of business.

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1992

### 3. OPERATING PROFIT

(a) This is stated after charging/(crediting):

	Year ended 31.12.92 £000	13 months 31.12.91 £000
Operating lease rentals:		
Plant and machinery	2,236	289
Land and buildings	1,287	1,053
Auditors' remuneration - audit services	101	83
- non audit services	74	67
Depreciation	7,677	3,065
Exchange loss	787	270
Government grant	(500)	(750)

(b) Reconciliation of operating profit to net cash inflow from operating activities:

	Year ended 31.12.92 £000	13 months 31.12.91 £000
Operating profit	5,325	2,208
Depreciation	7,677	3,065
Profit on disposal of operating activities	-	(109)
Extraordinary items	(4,000)	-
Loss on sale of fixed assets	612	-
Decrease/(increase) in debtors	19,384	(13,609)
(Increase)/decrease in stocks	(5,205)	4,442
(Decrease)/increase in creditors	(16,279)	23,837
Decrease/(increase) in provision for maintenance	4,284	(3,487)
Net cash inflow from operating activities	11,798	16,347

(c) Directors' remuneration:

	Year ended 31.12.92 £000	13 months 31.12.91 £000
Emoluments (including pension contributions)	Nil	Nil
Emoluments (excluding pension contributions) of the highest paid director	Nil	Nil

The emoluments (excluding pension contributions) of the directors fell within the following ranges:

	Year ended 31.12.92 No.	13 months 31.12.91 No.
£Nil - £5,000	3	4

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1992

### 4. STAFF COSTS

	<i>Year ended</i> <i>31.12.92</i> <i>£000</i>	<i>13 months</i> <i>31.12.91</i> <i>£000</i>
Wages and salaries	64,620	25,604
Social security costs	5,186	2,079
Other pension costs	3,168	1,022
	<u>72,974</u>	<u>28,705</u>

The average weekly number of employees during the year was made up as follows:

	<i>Year ended</i> <i>31.12.92</i> <i>No.</i>	<i>13 months</i> <i>31.12.91</i> <i>No.</i>
Office and management	1,353	461
Manufacturing	2,213	1,302
	<u>3,566</u>	<u>1,763</u>

### 5. INTEREST RECEIVABLE

	<i>Year ended</i> <i>31.12.92</i> <i>£000</i>	<i>13 months</i> <i>31.12.91</i> <i>£000</i>
Bank interest	2,354	5,111
Other loan interest	145	4
	<u>2,499</u>	<u>5,115</u>

### 6. INTEREST PAYABLE

	<i>Year ended</i> <i>31.12.92</i> <i>£000</i>	<i>13 months</i> <i>31.12.91</i> <i>£000</i>
Bank loans and overdrafts and other loans wholly repayable within five years	2,097	6,243
Loans from group undertakings	5,584	"
Other	569	"
	<u>8,250</u>	<u>6,243</u>

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1992

### 7. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The taxation charge/(credit) is made up as follows:

	<i>Year ended</i> <i>31.12.92</i> <i>£000</i>	<i>13 months</i> <i>31.12.91</i> <i>£000</i>
Deferred taxation at 33% (1990 - 33%)	(460)	(87)
Corporation tax under/(over)provided in previous years	2,676	(45)
	<u>2,216</u>	<u>(132)</u>

There are unutilised tax losses available for offset against future taxable profits of approximately £8,200,000.

### 8. EXTRAORDINARY ITEM

	<i>Year ended</i> <i>31.12.92</i> <i>£000</i>	<i>13 months</i> <i>31.12.91</i> <i>£000</i>
Provision for losses arising from the sale of a division	<u>(4,000)</u>	<u>-</u>

### 9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

	<i>Year ended</i> <i>31.12.92</i> <i>£000</i>	<i>13 months</i> <i>31.12.91</i> <i>£000</i>
(Loss)/profit dealt with in the accounts of the holding company	(6,642)	2,918
Retained by subsidiary companies	<u>-</u>	<u>(1,706)</u>

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1992

### 10. TANGIBLE FIXED ASSETS

	<i>Assets in course of construction £000</i>	<i>Land and buildings £000</i>	<i>Plant and machinery £000</i>	<i>Total £000</i>
<i>Group and Company</i>				
Cost:				
At 1 January 1992	1,024	26,817	83,835	111,676
Additions	569	1,374	7,778	9,721
Disposals	-	(258)	(1,231)	(1,489)
Transfers	(1,391)	-	1,236	(155)
At 31 December 1992	<u>202</u>	<u>27,933</u>	<u>91,618</u>	<u>119,753</u>
Depreciation:				
At 1 January 1992	-	10,349	57,664	68,013
Provided during the period	-	981	6,696	7,677
Disposals	-	(181)	(842)	(1,023)
Transfers	-	-	(9)	(9)
At 31 December 1992	<u>-</u>	<u>11,149</u>	<u>63,509</u>	<u>74,658</u>
Net book value:				
At 31 December 1992	<u>202</u>	<u>16,784</u>	<u>28,109</u>	<u>45,095</u>
At 1 January 1992	<u>1,024</u>	<u>16,468</u>	<u>26,171</u>	<u>43,663</u>
The net book value of land and buildings comprise:				
<i>Group and Company</i>			<i>31.12.92 £000</i>	<i>31.12.91 £000</i>
Freehold			16,308	16,123
Short leaseholds			476	345
			<u>16,784</u>	<u>16,468</u>

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1992

### 11. INVESTMENT IN SUBSIDIARIES

<i>Name of subsidiary company</i>	<i>Country of registration and operation</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
Champion Sparking Plug Company Limited	England	Ordinary shares	100%	Non-trading
Cameron Iron Works Limited	England	Ordinary shares	100%	Non-trading
Cameron Offshore Engineering Limited *	England	Ordinary shares	100%	Non-trading

\* Held by subsidiary

### 12. STOCKS

	<i>31.12.92</i>	<i>Group</i> <i>31.12.91</i>	<i>31.12.92</i>	<i>Company</i> <i>31.12.91</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Raw materials and consumables	24,538	14,349	24,538	14,349
Work-in-progress	22,893	26,251	22,893	26,251
Finished goods and goods for resale	39,817	41,443	39,817	41,443
	<u>87,248</u>	<u>82,043</u>	<u>87,248</u>	<u>82,043</u>

### 13. DEBTORS

	<i>31.12.92</i>	<i>Group</i> <i>31.12.91</i>	<i>31.12.92</i>	<i>Company</i> <i>31.12.91</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade debtors	48,421	48,308	48,421	48,308
Corporation tax recoverable	205	1,545	205	1,545
Amounts due from group undertakings	2,793	13,136	2,793	13,136
Other debtors	15,783	26,215	15,783	26,215
Prepayments and accrued income	5,058	3,783	5,058	3,783
Pensions	427	424	427	424
	<u>72,687</u>	<u>93,411</u>	<u>72,687</u>	<u>93,411</u>



# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1992

### 14. CASH AND CASH EQUIVALENTS

Analysis of balances as shown in the group balance sheet and changes during the current and previous year:

	31.12.92 £000	31.12.91 £000	Change in year £000
Cash at bank and in hand	63,196	50,621	12,575
Bank overdraft	(23,441)	(30,126)	6,685
Short term loans	(39,000)	(14,500)	(24,500)
	<u>755</u>	<u>5,995</u>	<u>(5,240)</u>

	31.12.91 £000	31.12.90 £000	Change in year £000
Cash at bank and in hand	50,621	27,133	23,488
Bank overdraft	(30,126)	(11,184)	(18,942)
Short term loans	(14,500)	(28,000)	13,500
	<u>5,995</u>	<u>(12,051)</u>	<u>18,046</u>

### 15. CREDITORS: amounts falling due within one year

	31.12.92 £000	Group 30.12.91 £000	31.12.92 £000	Company 30.12.91 £000
Bank overdraft	23,441	30,126	23,441	30,126
Short term loans	39,000	14,500	39,000	14,500
Trade creditors	20,182	20,000	20,182	20,000
Other taxes and social security costs	2,501	1,962	2,501	1,962
Corporation tax	1,270	1,500	1,270	1,500
Accruals	7,066	8,304	7,066	8,304
Amounts due to group undertakings	68,506	73,462	68,506	73,462
Other creditors	26,636	39,386	26,636	39,386
Pensions	7,306	4,990	7,306	4,990
	<u>195,908</u>	<u>194,230</u>	<u>195,908</u>	<u>194,230</u>

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1992

### 16. DEFERRED TAXATION

Deferred taxation is provided in the accounts at the rates of tax expected to be in force when the liability is likely to crystallise. The full potential liability for deferred tax has been provided as the directors consider it reasonable to assume that timing differences will reverse.

The amount provided in the accounts at 33% (1991 - 33%) is as follows:

	31.12.92 £000	Group 31.12.91 £000
Capital allowances in advance of depreciation	1,189	1,725
Other timing differences	76	-
	<u>1,265</u>	<u>1,725</u>

### 17. OTHER PROVISIONS

	Provisions for rationalisation and closure costs £000	Warranty provisions £000	Group and company Total £000
At 1 January 1992	156	1,265	1,421
Additional provisions during the year	4,000	1,074	5,074
Amounts utilised in year	-	(768)	(768)
Amounts released in year	-	(22)	(22)
At 31 December 1992	<u>4,156</u>	<u>1,549</u>	<u>5,705</u>

### 18. SHARE CAPITAL

	31.12.92 No.	Authorised 31.12.91 No.	31.12.92 £	Allotted, called up and fully paid 31.12.91 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1992

### 19. RESERVES

#### Company

	Share premium account £000	Profit and loss account £000
At 1 January 1992	9,450	(2,731)
Loss for the year	-	(6,642)
At 31 December 1992	<u>9,450</u>	<u>(9,373)</u>

#### Group

	Capital reserve £000	Share premium account £000	Profit and loss account £000
At 1 January 1992	67,634	9,450	(4,088)
Loss for the year	-	-	(6,642)
Adjustment to negative goodwill relating to subsidiaries acquired in previous year	<u>372</u>	<u>-</u>	<u>-</u>
At 31 December 1992	<u>67,262</u>	<u>9,450</u>	<u>(10,730)</u>

### 20. CAPITAL COMMITMENTS

	31.12.92 £000	31.12.91 £000
Group and company: Contracted for	<u>2,045</u>	<u>1,968</u>
Authorised by the directors but not contracted for	<u>2,546</u>	<u>3,294</u>

In arriving at the above amounts government grants have not been taken into account.

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1992

### 21. OTHER FINANCIAL COMMITMENTS

At 31 December 1992 the annual commitments under non-cancellable operating leases are as set out below:

	31.12.92	Group	31.12.92	Company
	£000	31.12.91	£000	31.12.91
		£000		£000
<i>Land and buildings</i>				
Operating leases which expire:				
within one year	30	282	30	282
within two to five years	426	856	426	856
in over five years	772	48	772	48
	<u>1,228</u>	<u>1,186</u>	<u>1,228</u>	<u>1,186</u>
<i>Other</i>				
Operating leases which expire:				
within one year	214	314	214	314
within two to five years	950	1,503	950	1,503
in over five years	142	-	142	-
	<u>1,306</u>	<u>1,817</u>	<u>1,306</u>	<u>1,817</u>

### 22. PENSION COMMITMENTS

The group operates a number of defined benefit pension schemes in the United Kingdom most of which are funded by the payment of contributions to separately administered funds.

The total pension cost is set out in Note 4. The contributions to the schemes are determined with the advice of independent qualified actuaries, on the basis of triennial valuations using the projected unit credit method. Variations in cost have been spread over the estimated average remaining working life time of the members of each scheme.

The most recent formal actuarial valuation of the three major schemes were conducted at 1 April 1990, 1 May 1990 and 1 April 1992 using the following main assumptions:

	% per annum
Investment return	9
Salary increases	7 - 7 1/2
Pension increases	3 - 9

At the date of the valuations the total market value of the three schemes was £63,582,000 and the actual value of the assets was sufficient to cover 107% to 142% of the benefits that had accrued to members on the valuation dates allowing for assumed future increases in earnings.

### 23. CONTINGENT LIABILITIES

At 31 December 1992, the group and company had contingent liabilities of £29,824,000 relating to tender bonds (£42,000), performance bonds (£18,200,000) and other guarantees and indemnities (£11,582,000). The group and company had commitments under foreign exchange contracts amounting to £15,830,000.

## Cooper (Great Britain) Limited

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### NOTES TO THE ACCOUNTS

at 31 December 1992

#### 24. ULTIMATE PARENT UNDERTAKING

The company is a subsidiary undertaking of Cooper Industries Inc., which is incorporated in the state of Ohio, United States of America. Copies of the Annual report of Cooper Industries Inc are available from Investor Relations Department, Cooper Industries Inc., PO Box 4446, Houston, Texas 77210, United States of America.