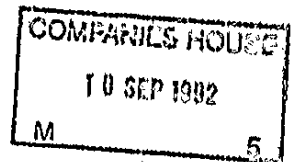


28-09-92



 **ERNST & YOUNG**

REPORT AND ACCOUNTS

Cooper (Great Britain) Limited

31 DECEMBER 1991

10000136

 ERNST & YOUNG

# Cooper (Great Britain) Limited

Registered No. 1080126

## DIRECTORS

Abogado Nominees Limited  
D C Schumacher (USA)  
J D Carne

## SECRETARY

Abogada Nominees Limited  
D C Schumacher (USA)

## AUDITORS

Ernst & Young  
Cloth Hall Court  
14 King Street  
Leeds  
LS1 2JN

## BANKERS

National Westminster Bank Plc  
15 Bishopgate  
London  
EC2P 2AP

## SOLICITORS

Baker & McKenzie  
100 New Bridge Street  
London  
EC4V 6JA

## REGISTERED OFFICE

Aldwych House  
Aldwych  
London  
WC2B 4JP

ERNST & YOUNG

# Cooper (Great Britain) Limited

## DIRECTORS' REPORT

The directors present their report and the group accounts for the period ended 31 December 1991.

### RESULTS AND DIVIDENDS

The group trading profit for the period, after taxation amounted to £1,212,000.

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

### REVIEW OF THE BUSINESS

The group's principal activities during the year were the manufacture and sale of tools for use in mining, contracting, quarrying and engineering industries; the re-rolling of steel billets; the supply and service of hydraulic and electronic measuring equipment for use in the off-shore oil industry; the design, manufacture and sale of electrical switch devices and motor control gear and the manufacture and supply of supports and accessories for the support of heavy duty cable; the design, assembly and service of large scale compression equipment principally for gas transmission; manufacture and sale of hand tools; the manufacture and marketing of valves and other flow control equipment primarily for the oil industry.

At 31 December 1991 the group acquired A B Sani (UK) Limited Cameron Iron Works Limited and its wholly owned subsidiary Cameron Offshore Engineering Limited. On 31 December 1991 the business, employees and net assets of Champion Sparking Plug Company Limited, A B Sani (UK) Limited, Cameron Iron Works Limited and Cameron Offshore Engineering Limited were transferred to Cooper (Great Britain) Limited. In exchange Cooper (Great Britain) Limited accepted responsibility for all the liabilities of these companies.

### 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.

### RESEARCH AND DEVELOPMENT

The group continues to invest in product research and development with a view to continued success.

### FUTURE DEVELOPMENTS

In line with its research and development programme the group will continue to improve its products and services to meet market demand.

### DIRECTORS AND THEIR INTERESTS

The directors at 30 November 1991 were as follows:

Abogado Nominees Limited  
J D Carne (appointed 16 May 1991)  
D C Schumacher (USA)

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

In addition to the directors listed above, Mr D B Ingols served as a director until 16 May 1991 when he resigned.

# Cooper (Great Britain) Limited

## DIRECTORS' REPORT

### DISABLED EMPLOYEES

The group's member companies 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 companies also endeavour to give equal opportunities of training, career development and promotion to all employees.

### EMPLOYEE INVOLVEMENT

The group's member companies recognise their responsibility to provide their employees with information of concern to them and to encourage their participation in the companies' 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 £18,000.

### 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

*Diane K. Schumacher*

Director

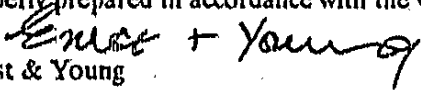
31 July 1992

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

We have audited the accounts on pages 6 to 22 in accordance with Auditing Standards.

Last year's audit report was qualified because the stock figures excluded overheads as explained in Note 1, which is contrary to Statement of Standard Accounting Practice No 9. This has no material impact on the current year's results or financial position.

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 1991 and of the profit and source and application of funds of the group for the period then ended. Except for the matter referred to above, in our opinion the accounts have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young  
Chartered Accountants  
Registered Auditor  
Leeds

31 July 1992

# Cooper (Great Britain) Limited

## GROUP PROFIT AND LOSS ACCOUNT

for the period ended 31 December 1991

	Notes	13 months 31.12.91 £000	Year ended 30.11.90 £000
<b>TURNOVER</b>	2	133,379	129,206
Cost of sales		115,469	112,384
Gross profit		17,910	16,822
Distribution and selling costs		8,551	9,511
Administrative expenses		7,151	6,883
		15,702	16,394
<b>OPERATING PROFIT</b>	3	2,208	428
Interest receivable and similar items	5	5,115	1,042
Interest payable	6	(6,243)	(3,018)
		(1,128)	(1,976)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,080	(1,548)
Tax on profit/(loss) on ordinary activities	7	132	94
<b>PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEM</b>		1,212	(1,454)
Extraordinary item	8	-	(1,325)
<b>PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY</b>	9	1,212	(2,779)

Movements on retained profits are shown in Note 18 of the notes to the accounts.

# Cooper (Great Britain) Limited

## GROUP BALANCE SHEET

at 31 December 1991

	Notes	31.12.91 £000	30.11.90 £000
<b>FIXED ASSETS</b>			
Tangible assets:			
Land and buildings	10	16,468	3,670
Plant and machinery	10	26,171	12,699
Assets in the course of construction	10	1,024	1,460
		<u>43,663</u>	<u>17,829</u>
<b>CURRENT ASSETS</b>			
Stocks	12	82,043	32,995
Debtors	13	93,411	29,369
Investments		634	-
Cash at bank and in hand		50,621	27,133
		<u>226,709</u>	<u>89,497</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>194,230</u>	<u>74,370</u>
<b>NET CURRENT ASSETS</b>		<u>32,479</u>	<u>15,127</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>76,142</u>	<u>32,956</u>
<b>CREDITORS: amounts falling due after more than one year:</b>			
Amounts due from group undertakings		-	1,250
		<u>-</u>	<u>1,250</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	15	1,725	1,864
Other provisions	16	1,421	4,908
		<u>3,146</u>	<u>6,772</u>
		<u>72,996</u>	<u>24,934</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	-	-
Share premium account	18	9,450	9,450
Capital reserve	18	67,634	20,784
Profit and loss account	18	(4,088)	(5,300)
		<u>72,996</u>	<u>24,934</u>

*D.K. Schumacher*

D.K. Schumacher - Director

31 July 1992



# Cooper (Great Britain) Limited

## BALANCE SHEET

at 31 December 1991

	Notes	31.12.91 £000	30.11.90 £000
<b>FIXED ASSETS</b>			
Tangible assets	10	43,663	6,725
Investment in subsidiaries	11	-	4,644
		<u>43,663</u>	<u>11,369</u>
<b>CURRENT ASSETS</b>			
Stock	12	82,043	21,669
Debtors	13	93,411	21,839
Investments		634	-
Cash at bank and in hand		50,621	25,054
		<u>226,709</u>	<u>68,562</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>194,230</u>	<u>69,972</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>32,479</u>	<u>(1,410)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>76,142</u>	<u>9,959</u>
<b>CREDITORS: amounts falling due after more than one year:</b>			
Amounts due from subsidiary undertakings		<u>66,277</u>	<u>1,250</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	15	1,725	-
Other provisions	16	1,421	4,908
		<u>3,146</u>	<u>4,908</u>
		<u>6,719</u>	<u>3,801</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	-	-
Share premium account	18	9,450	9,450
Profit and loss account	18	(2,731)	(5,649)
		<u>6,719</u>	<u>3,801</u>

D. K. Schumacher

D. K. Schumacher - Director

31 July 1992

# Cooper (Great Britain) Limited

## GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS for the 13 months ended 31 December 1991

ERNST & YOUNG

	13 months ended 31.12.91 £000	Year ended 30.11.90 £000
<b>SOURCE OF FUNDS</b>		
Profit/(loss) on ordinary activities before taxation	1,080	(1,548)
Extraordinary items	-	(1,325)
	<u>1,080</u>	<u>(2,873)</u>
Adjustment for items not involving the movement of funds:		
Profit on sale of operations	(109)	-
Depreciation	3,065	3,096
Provision for warranty costs	233	2,600
Provision for rationalisation	-	1,325
	<u>1,269</u>	<u>4,148</u>
<b>TOTAL GENERATED FROM OPERATIONS</b>		
<b>FUNDS FROM OTHER SOURCES</b>		
Proceeds from sale of operating activities *	3,842	4,550
Sale of fixed assets	16	29
	<u>3,858</u>	<u>4,579</u>
	<u>8,127</u>	<u>8,727</u>
<b>APPLICATION OF FUNDS</b>		
Purchase and transfer of fixed assets	2,565	3,974
Expenditure incurred in rationalisation programme	1,169	1,767
Expenditure incurred on warranty	1,568	-
	<u>5,302</u>	<u>5,741</u>
<b>WORKING CAPITAL INCREASE</b>	<u>2,825</u>	<u>2,986</u>
<b>COMPONENTS OF INCREASE IN WORKING CAPITAL</b>		
Stock	(4,442)	(2,895)
Debtors	13,609	(11,137)
Creditors	(21,604)	22,829
	<u>(12,437)</u>	<u>8,797</u>
<b>MOVEMENT IN NET LIQUID FUNDS **</b>		
Bank overdraft	(4,527)	813
Other short term borrowing	13,500	(28,000)
Cash at bank	6,289	21,376
	<u>15,262</u>	<u>(5,811)</u>
	<u>2,825</u>	<u>2,986</u>

# Cooper (Great Britain) Limited

## GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS for the 13 months ended 31 December 1991

	13 months 31.12.91 £000	Year ended 30.11.90 £000
<b>* SALE AND TRANSFER OF OPERATING ACTIVITIES</b>		
Fixed assets	1,419	1,401
Stocks	3,084	2,102
Debtors	881	2,106
Creditors	(1,542)	(1,059)
Net cash received	<u>3,842</u>	<u>4,550</u>
<b>** ACQUISITION OF OPERATING ACTIVITIES</b>		
	£000	£000
Fixed assets	27,769	
Investments	634	
Stocks	56,574	
Debtors	49,769	
Creditors	(87,519)	
Capital reserve	(46,850)	
Net cash movement increase in overdraft	<u>377</u>	

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1991

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention.

#### *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.

The group profit and loss account does not include the results of Cameron Iron Works Limited or Cameron Offshore Engineering Limited which were acquired on 31 December 1991.

#### *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 assets 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 12½ 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.

NOTES TO THE ACCOUNTS

at 31 December 1991

ERNST & YOUNG

1. ACCOUNTING POLICIES (continued)

*Stocks (continued)*

The valuation of stocks of finished goods and work-in-progress in Champion Sparking Plug Company Limited 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 period by £156,000 (1990 - £238,000 increase)
- (ii) to increase stock and work-in-progress at 31 December 1991 by £2,743,000 (1990 - £2,899,000).

*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.

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1991

### 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:

	13 months 31.12.91 £000	Year ended 30.11.90 £000
United Kingdom	88,773	77,340
Other European Countries	29,216	35,948
North and South America	1,390	4,143
Africa	3,453	50
Australasia	956	1,180
Asia	9,591	10,545
	<u>135,379</u>	<u>129,206</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.

### 3. OPERATING PROFIT

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

	13 months 31.12.91 £000	Year ended 30.11.90 £000
Operating lease rentals:		
Plant and machinery	289	369
Land and buildings	1,053	707
Auditors' remuneration	83	96
Depreciation	3,065	3,096
Government grant	(750)	(750)
	<u></u>	<u></u>

(b) Directors' remuneration:

Emoluments (including pension contributions)	Nil	137
Emoluments (excluding pension contributions) of the highest paid director	Nil	55

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

	13 months 31.12.91 No.	Year ended 30.11.90 No.
£Nil - £5,000	4	3
£5,001 - £10,000	-	1
£10,001 - £15,000	-	1
£15,001 - £20,000	-	1

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1991

### 4. STAFF COSTS

	13 months 31.12.91 £000	Year ended 30.11.90 £000
Wages and salaries	25,604	25,673
Social security costs	2,079	2,123
Other pension costs	1,022	988
	<u>28,705</u>	<u>28,784</u>

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

	13 months 31.12.91 No.	Year ended 30.11.90 No.
Office and management	461	548
Manufacturing	1,302	1,902
	<u>1,763</u>	<u>2,450</u>

### 5. INTEREST RECEIVABLE

	13 months 31.12.91 £000	Year ended 30.11.90 £000
Bank interest	5,111	988
Other loan interest	4	54
	<u>5,115</u>	<u>1,042</u>

### 6. INTEREST PAYABLE

	13 months 31.12.91 £000	Year ended 30.11.90 £000
Bank loans and overdrafts	5,654	3,010
Other loans wholly repayable within five years	589	8
	<u>6,243</u>	<u>3,018</u>

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1991

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

The taxation credit is made up as follows:

	<i>13 months</i> 31.12.91 £000	<i>Year ended</i> 30.11.90 £000
Deferred taxation at 33% (1990 - 33%)	(87)	66
Corporation tax over-provided in previous years	(45)	(160)
	<u>(132)</u>	<u>(94)</u>

There are unutilised tax losses available for offset against future taxable profits of approximately £9 million.

### 8. EXTRAORDINARY ITEM

	<i>13 months</i> 31.12.91 £000	<i>Year ended</i> 30.11.90 £000
Provision for expenses arising from the cost of closing a division, rationalisation of existing operations and sale of a division	-	1,325

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

	<i>13 months</i> 31.12.91 £000	<i>Year ended</i> 30.11.90 £000
Profit/(loss) dealt with in the accounts of the holding company	2,918	(5,325)
Retained by subsidiary companies	<u>(1,706)</u>	<u>2,546</u>



# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1991

### 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</i>				
Cost:				
At 1 December 1990	1,460	6,677	33,011	41,148
Additions	1,291	60	1,200	2,551
Disposals	-	(794)	(3,389)	(4,183)
Transfers	(1,727)	20,874	53,013	72,160
At 31 December 1991	1,024	26,817	83,835	111,676
Depreciation:				
At 1 December 1990	-	3,007	20,312	23,319
Provided during the period	-	309	2,756	3,065
Disposals	-	(254)	(2,494)	(2,748)
Transfers	-	7,287	37,090	44,377
At 31 December 1991	-	10,349	57,664	68,013
Net book value at 31 December 1991	1,024	16,468	26,171	43,663
Net book value at 1 December 1990	1,460	3,670	12,699	17,829
<i>Company</i>				
Cost:				
At 1 December 1990	-	2,562	16,179	18,741
Additions	-	60	840	900
Disposals	-	(794)	(3,362)	(4,156)
Transfers	1,024	24,989	70,178	96,191
At 31 December 1991	1,024	26,817	83,835	111,676
Depreciation:				
At 1 December 1990	-	1,349	10,667	12,016
Provided during the period	-	182	1,302	1,484
Disposals	-	(254)	(2,467)	(2,721)
Transfers	-	9,072	48,162	57,234
At 31 December 1991	-	10,349	57,664	68,013
Net book value at 31 December 1991	1,024	16,468	26,171	43,663
Net book value at 1 December 1990	-	1,213	5,512	6,725

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1991

### 10. TANGIBLE FIXED ASSETS (continued)

The net book value of land and buildings comprise:

Group:

	31.12.91	30.11.90
	£000	£000
Freehold	16,123	3,363
Short leaseholds	345	307
	<u>16,468</u>	<u>3,670</u>

Company:

	31.12.91	30.11.90
	£000	£000
Freehold	16,123	906
Short leasehold	345	307
	<u>16,468</u>	<u>1,213</u>

### 11. INVESTMENT IN SUBSIDIARIES

Cost:

	Company £000
At 1 December 1990	4,644
Investments disposed of during period	<u>(4,644)</u>
At 31 December 1991	<u>-</u>

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1991

### 11. INVESTMENT IN SUBSIDIARIES (continued)

<i>Name of subsidiary company</i>	<i>Country of registration (or incorporation) and operation</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
Champion Sparking Plug Company Limited	England	Ordinary shares	100%	Manufacture and sale of motor industry components
Cameron Iron Works Limited	England	Ordinary shares	100%	design and manufacture of components for aerospace and energy industries
Cameron Offshore Engineering Limited *	England	Ordinary shares	100%	design and manufacture of components for energy industry
A B Sani (UK) Limited	England	Ordinary shares	100%	supply of window blinds & components

\* Held by subsidiary

### 12. STOCKS

	<i>31.12.91</i>	<i>Group 30.11.90</i>	<i>31.1.91</i>	<i>Company 30.11.90</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Raw materials and consumables	14,349	12,334	14,349	8,674
Work-in-progress	26,251	6,930	26,251	6,142
Finished goods and goods for resale	41,443	13,731	41,443	6,853
	<u>82,043</u>	<u>32,995</u>	<u>82,043</u>	<u>21,669</u>

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1991

### 13. DEBTORS

	31.12.91	Group	31.12.91	Company
	£000	30.11.90	£000	30.11.90
		£000		£000
Trade debtors	48,308	21,015	48,308	17,263
Corporation tax recoverable	1,545	-	1,545	-
Amounts due from group undertakings	13,136	4,293	13,136	1,569
Other debtors	26,215	3,210	26,215	2,680
Prepayments and accrued income	3,783	831	3,783	307
Pensions	424	20	424	20
	<u>93,411</u>	<u>29,369</u>	<u>93,411</u>	<u>21,839</u>

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

	31.12.91	Group	31.12.91	Company
	£000	30.11.90	£000	30.11.90
		£000		£000
Bank overdraft	30,126	11,184	30,126	11,184
Short term loans	14,500	28,000	14,500	28,000
Trade creditors	20,000	10,002	20,000	8,021
Other taxes and social security costs	1,962	1,757	1,962	651
Corporation tax	1,500	-	1,500	-
Accruals	8,304	4,115	8,304	2,375
Amounts due to subsidiary undertakings	-	-	-	4,644
Amounts due to group undertakings	73,462	14,513	73,462	10,298
Other creditors	39,386	4,799	39,386	4,799
Pensions	4,990	-	4,990	-
	<u>194,230</u>	<u>74,370</u>	<u>194,230</u>	<u>69,972</u>

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1991

### 15. 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% (1990 - 33%) is as follows:

	31.12.91	Group 30.11.90
	£000	£000
Capital allowances in advance of depreciation	1,725	1,920
Other timing differences	-	(56)
	<u>1,725</u>	<u>1,864</u>

### 16. OTHER PROVISIONS

	Provisions for rationalisation and closure costs 1991 £000	Warranty provisions 1991 £000	Group and company Total £000
At 1 December 1990	2,308	2,600	4,908
Additional provisions during the year	-	233	233
Amounts utilised in year	(2,152)	(1,568)	(3,720)
At 31 December 1991	<u>156</u>	<u>1,265</u>	<u>1,421</u>

### 17. SHARE CAPITAL

	31.12.91 No.	30.11.90 No.	Allotted, called up and fully paid 31.12.91 £	30.11.90 £
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 1991

### 18. RESERVES

	Company		
	Share premium account £000	Profit and loss account £000	
At 1 December 1990	9,450	(5,649)	
Profit for the period	-	2,918	
At 31 December 1991	<u>9,450</u>	<u>(2,731)</u>	
	Capital reserve £000	Share premium account £000	Group Profit and loss account £000
At 1 December 1990	20,784	9,450	(5,300)
Profit for the period	-	-	1,212
Negative goodwill arising on acquisition of subsidiaries	46,850	-	-
	<u>67,634</u>	<u>9,450</u>	<u>(4,088)</u>

### 19. CAPITAL COMMITMENTS

	31.12.91 £000	30.11.90 £000
Group and company:		
Contracted for	1,968	579
Authorised by the directors but not contracted for	<u>3,294</u>	<u>34</u>

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

ERNST & YOUNG

# Cooper (Great Britain) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1991

### 20. OTHER FINANCIAL COMMITMENTS

At 31 December 1991 the annual commitments under non-cancellable operating leases are as set out below:

	31.12.91 £000	Group 30.11.90 £000	31.12.91 £000	Company 30.11.90 £000
<i>Land and buildings</i>				
Operating leases which expire:				
within one year	282	42	282	42
within two to five years	856	502	856	502
in over five years	48	200	48	200
	<u>1,186</u>	<u>744</u>	<u>1,186</u>	<u>744</u>
<i>Other</i>				
Operating leases which expire:				
within one year	314	65	314	16
within two to five years	1,503	458	1,503	218
	<u>1,817</u>	<u>529</u>	<u>1,817</u>	<u>234</u>

### 21. PENSION COMMITMENTS

The group operates a number of defined benefit pension schemes in the United Kingdom some of the assets of which are held in separately administered funds.

The total pension cost is set out in Note 4. The pension contributions have been assessed in accordance with the advice of qualified actuaries. 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 took place at 1 April 1989, 1 May 1990 and 5 April 1989.

The actuarial method used was the project units method. The following assumptions were made in the following range:

	% per annum
Investment return	8½ - 9
Salary increases	7 - 8
Pension increases	3 - 9

At the date of the valuations the total market value of the three schemes was £65.1 million and the actual value of the assets was sufficient to cover 105% to 144% of the benefits that had accrued to members on the valuation dates allowing for assumed future increases in earnings.

### 22. ULTIMATE PARENT COMPANY

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.