

Cooper (Great Britain) Ltd

Registered No. 1080126

DIRECTORS

Abogado Nominees Limited

J D Carne

D K Schumacher (USA)

SECRETARY

Abogado Nominees Limited

D K Schumacher (USA)

AUDITORS

Ernst & Young

Silkhouse Court

Tithebarn Street

Liverpool

L2 2LE

BANKERS

National Westminster Bank Plc

15 Bishopsgate

London

EC2P 2AP

SOLICITORS

Baker & McKenzie

100 New Bridge Street

London

EC4V 6JA

REGISTERED OFFICE

100 New Bridge Street

London

EC4V 6JA



DIRECTORS' REPORT

The directors present their report and the group accounts for the year ended 31 December 1993.

RESULTS AND DIVIDENDS

The group loss for the year after taxation amounted to £7,934,000.

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

REVIEW OF THE BUSINESS

The group has had a satisfactory year. During the year the group sold part of the business which manufactured and sold tools for use in the mining, contracting, quarrying and engineering industries.

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 directors have decided that the group should withdraw from the manufacture and sale of forged products. This part of the business was sold in May 1994.

DIRECTORS AND THEIR INTERESTS

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

Cooper (Great Britain) Ltd

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.

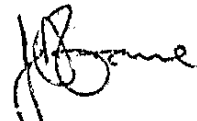
CHARITABLE CONTRIBUTIONS

During the year the group made contributions to various charities amounting to £32,000.

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



J D Carne
Director

20 October 1994

Cooper (Great Britain) Ltd

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the accounts on pages 6 to 21, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 11.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

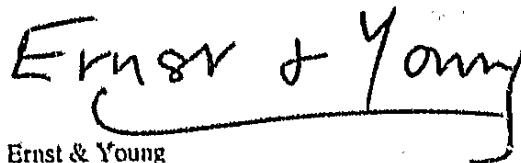
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the groups's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 31 December 1993 and of the result of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Liverpool

Date 31 October 1994

Cooper (Great Britain) Ltd

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1993

	Notes	1993 £000	1993 £000	1992 £000
TURNOVER				
Continuing operations - ongoing	2	241,307		209,617
Discontinued operations		48,970		77,296
Cost of sales	3		290,277	286,913
			260,441	241,930
Gross profit			29,836	44,983
Distribution costs	3	19,883		22,708
Administrative expenses	3	12,161		16,950
			32,044	39,658
OPERATING (LOSS)/PROFIT	4			
Continuing operations - ongoing		1,529		8,037
Discontinued operations		(3,737)		(2,712)
			(2,208)	5,325
Continuing operations:				
Reorganisation and restructuring costs		768		-
Provisions for reorganisation and restructuring costs		1,624		-
			(2,392)	
Discontinued operations:				
Loss on sale of operation		4,437		
Less 1992 provision		(2,775)		
		1,662		
Provisions for sale of operations		1,053		(4,000)
			(2,715)	
			(7,315)	1,325
Interest receivable	6	2,994		2,499
Interest payable	7	(6,900)		(8,250)
			(3,906)	(5,751)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(11,221)	(4,426)
Tax on loss on ordinary activities	8		3,287	(2,216)
LOSS RETAINED FOR THE FINANCIAL YEAR			(7,934)	(6,642)

Cooper (Great Britain) Ltd

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December 1993 (continued)

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the retained loss of £7,934,000 for the year ended 31 December 1993, and the retained loss of £6,642,000 for the year ended 31 December 1992.

Cooper (Great Britain) Ltd

GROUP BALANCE SHEET

at 31 December 1993

	Notes	1993 £000	1992 £000
FIXED ASSETS			
Tangible assets:			
Land and buildings	10	18,042	16,784
Plant and machinery	10	25,327	28,109
Assets in the course of construction	10	705	202
		<u>44,074</u>	<u>45,095</u>
CURRENT ASSETS			
Stocks	12	69,358	87,248
Debtors	13	82,552	72,687
Investments		634	634
Cash at bank and in hand		66,359	63,196
		<u>218,903</u>	<u>223,765</u>
CREDITORS: amounts falling due within one year	15	<u>188,518</u>	<u>188,602</u>
NET CURRENT ASSETS		<u>30,385</u>	<u>35,163</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>74,459</u>	<u>80,258</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	16	-	1,265
Other provisions	17	16,411	13,011
		<u>16,411</u>	<u>14,276</u>
		<u>58,048</u>	<u>65,982</u>
CAPITAL AND RESERVES			
Called up share capital	18	-	-
Share premium account	19	9,450	9,450
Capital reserve	19	67,262	67,262
Profit and loss account	19	(18,664)	(10,730)
		<u>58,048</u>	<u>65,982</u>

Cooper (Great Britain) Ltd

BALANCE SHEET

at 31 December 1993

	Notes	1993 £000	1992 £000
FIXED ASSETS			
Tangible assets	10	44,074	45,095
CURRENT ASSETS			
Stock	12	69,358	87,248
Debtors	13	82,552	72,687
Investments		634	634
Cash at bank and in hand		66,359	63,196
		218,903	223,765
CREDITORS: amounts falling due within one year	15	188,518	188,602
NET CURRENT ASSETS		30,385	35,163
TOTAL ASSETS LESS CURRENT LIABILITIES		74,459	80,258
CREDITORS: amounts falling due after more than one year:			
Amounts due from subsidiary undertakings		-	65,905
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	16	-	1,265
Other provisions	17	16,411	13,011
		16,411	14,276
		58,048	77
CAPITAL AND RESERVES			
Called up share capital	18	-	-
Share premium account	19	9,450	9,450
Profit and loss account	19	48,598	(9,373)
		58,048	77


J D Carrie
Director

20 October 1994

Cooper (Great Britain) Ltd

GROUP STATEMENT OF CASH FLOWS for the year ended 31 December 1993

	Notes	1993 £000	1992 £000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	4(b)	(3,819)	11,798
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		2,994	2,499
Interest paid		(6,900)	(8,250)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(3,906)	(5,751)
TAX PAID		(17)	(1,566)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(9,220)	(9,721)
Receipts from sales of tangible fixed assets		40	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(9,180)	(9,721)
NET CASH OUTFLOW BEFORE FINANCING		(16,922)	(5,240)
FINANCING		-	-
DECREASE IN CASH AND CASH EQUIVALENTS	14	(16,922)	(5,240)
		(16,922)	(5,240)

Cooper (Great Britain) Ltd

NOTES TO THE ACCOUNTS

at 31 December 1993

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) Ltd and its subsidiary undertakings drawn up to 31 December each year. No profit and loss account is presented for Cooper (Great Britain) Ltd 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, based on prices prevailing at the date of acquisition, 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.

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 increase group trading profit for the year by £744,000 (1992 - £231,000 decrease);
- (ii) to increase stock and work-in-progress at 31 December 1993 by £3,256,000 (1992 - £2,512,000).

Warranty costs

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

Cooper (Great Britain) Ltd

NOTES TO THE ACCOUNTS

at 31 December 1993

1. ACCOUNTING POLICIES (continued)

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 without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

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:

	1993 £000	1992 £000
United Kingdom	145,796	147,176
Other European Countries	75,522	51,803
North and South America	10,411	13,181
Africa	15,997	27,787
Australasia	3,696	5,985
Asia	38,855	40,981
	<u>290,277</u>	<u>286,913</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) Ltd

NOTES TO THE ACCOUNTS

at 31 December 1993

3. COST OF SALES AND OPERATING COSTS

	1993		1992	
	Continuing	Discontinued	Total	Total
	£000	£000	£000	£000
Cost of sales	212,292	48,149	260,441	241,930
Distribution costs	17,472	2,411	19,883	22,708
Administrative costs	10,014	2,147	12,161	16,950

4. OPERATING (LOSS)/PROFIT

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

	1993	1992
	£000	£000
Operating lease rentals:		
Plant and machinery	2,608	2,236
Land and buildings	1,163	1,287
Auditors' remuneration - audit services	102	101
- non audit services	156	74
Depreciation	7,724	7,677
Exchange (gain)/loss	(1,530)	787
Government grant	(144)	(500)

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

	1993	1992
	£000	£000
Operating (loss)/profit	(2,208)	5,325
Depreciation	7,724	7,677
Exceptional items	(5,107)	(4,000)
Loss on sale of fixed assets	2,477	612
(Increase)/decrease in debtors	(9,096)	19,384
Decrease/(increase) in stocks	17,890	(5,205)
Decrease in creditors	(18,899)	(16,279)
Increase in provisions	3,400	4,284
Net cash (outflow)/inflow from operating activities	(3,819)	11,798

The fixed assets were disposed as part of the sale of operations. The loss incurred was offset against the 1992 provision and is thus not separately analysed in the profit and loss account.

(c) Directors' remuneration:

	1993	1992
	£000	£000
Emoluments (including pension contributions)	Nil	Nil
Emoluments (excluding pension contributions) of the chairman	Nil	Nil
Emoluments (excluding pension contributions) of the highest paid director	Nil	Nil

Cooper (Great Britain) Ltd

NOTES TO THE ACCOUNTS

at 31 December 1993

4. OPERATING (LOSS)/PROFIT (continued)

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

	1993	1992
	No.	No.
£Nil - £5,000	3	3

5. STAFF COSTS

	1993	1992
	£000	£000
Wages and salaries	67,898	64,620
Social security costs	5,259	5,186
Other pension costs	6,044	3,168
	<u>79,201</u>	<u>72,974</u>

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

	1993	1992
	No.	No.
Office and management	1,273	1,353
Manufacturing	1,758	2,213
	<u>3,031</u>	<u>3,566</u>

6. INTEREST RECEIVABLE

	1993	1992
	£000	£000
Bank interest	2,994	2,354
Other loan interest	-	145
	<u>2,994</u>	<u>2,499</u>

7. INTEREST PAYABLE

	1993	1992
	£000	£000
Bank loans and overdrafts and other loans wholly repayable within five years	3,039	2,097
Loans from group undertakings	3,861	5,584
Other	-	569
	<u>6,900</u>	<u>8,250</u>

Cooper (Great Britain) Ltd

NOTES TO THE ACCOUNTS

at 31 December 1993

8. TAX ON LOSS ON ORDINARY ACTIVITIES

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

	1993 £000	1992 £000
Advance Corporation tax	974	-
Deferred taxation at 33% (1992 - 33%)	1,265	400
Corporation tax over/(under) provided in previous years	1,048	(2,676)
	<u>3,287</u>	<u>(2,216)</u>

There are unutilised tax losses available for offset against future taxable profits of approximately £16,000,000.

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

	1993 £000	1992 £000
Profit/(loss) dealt with in the accounts of the holding company	<u>57,971</u>	<u>(6,642)</u>

10. TANGIBLE FIXED ASSETS

Group and Company	Assets in course of construction £000	Land and buildings £000	Plant and machinery £000	Total £000
Cost:				
At 1 January 1993	202	27,933	91,618	119,753
Additions	503	2,530	6,187	9,220
Disposals	-	(1,283)	(10,201)	(11,484)
At 31 December 1993	<u>705</u>	<u>29,180</u>	<u>87,604</u>	<u>117,489</u>
Depreciation:				
At 1 January 1993	-	11,149	63,509	74,658
Provided during the period	-	934	6,790	7,724
Disposals	-	(945)	(8,022)	(8,967)
At 31 December 1993	<u>-</u>	<u>11,138</u>	<u>62,277</u>	<u>73,415</u>
Net book value:				
At 31 December 1993	<u>705</u>	<u>18,042</u>	<u>25,327</u>	<u>44,074</u>
At 1 January 1993	<u>202</u>	<u>16,784</u>	<u>28,109</u>	<u>45,095</u>

Cooper (Great Britain) Ltd

NOTES TO THE ACCOUNTS

at 31 December 1993

10. TANGIBLE FIXED ASSETS (continued)

The net book value of land and buildings comprises:

<i>Group and Company</i>	<i>1993</i> <i>£000</i>	<i>1992</i> <i>£000</i>
Freehold	17,461	16,308
Short leaseholds	581	476
	<u>18,042</u>	<u>16,784</u>

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

12. STOCKS

	<i>1993</i> <i>£000</i>	<i>Group</i> <i>1992</i> <i>£000</i>	<i>1993</i> <i>£000</i>	<i>Company</i> <i>1992</i> <i>£000</i>
Raw materials and consumables	14,835	24,538	14,835	24,538
Work-in-progress	22,112	22,893	22,112	22,893
Finished goods and goods for resale	32,411	39,817	32,411	39,817
	<u>69,358</u>	<u>87,248</u>	<u>69,358</u>	<u>87,248</u>

Cooper (Great Britain) Ltd

NOTES TO THE ACCOUNTS

at 31 December 1993

13. DEBTORS

	1993	Group	1993	Company
	£000	1992	£000	1992
		£000		£000
Trade debtors	69,708	48,421	69,708	48,421
Corporation tax recoverable	974	205	974	205
Amounts due from group undertakings	6,088	2,793	6,088	2,793
Other debtors	2,999	15,783	2,999	15,783
Prepayments and accrued income	2,783	5,485	2,783	5,485
	<u>82,552</u>	<u>72,687</u>	<u>82,552</u>	<u>72,687</u>

14. CASH AND CASH EQUIVALENTS

Balances as shown in the group balance sheet and changes during the current and previous year:

	1993	1992	Change
	£000	£000	in year
			£000
Cash at bank and in hand	66,359	63,196	3,163
Bank overdraft	(34,731)	(23,441)	(11,290)
Short term loans	(47,795)	(39,000)	(8,795)
	<u>(16,167)</u>	<u>755</u>	<u>(16,922)</u>
	1992	1991	Change
	£000	£000	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>

Cooper (Great Britain) Ltd

NOTES TO THE ACCOUNTS

at 31 December 1993

15. CREDITORS: amounts falling due within one year

	1993	Group	1993	Company
	£000	1992	£000	1992
		£000		£000
Bank overdraft	34,731	23,441	34,731	23,441
Short term loans	47,795	39,000	47,795	39,000
Trade creditors	9,969	20,182	9,969	20,182
Other taxes and social security costs	2,221	2,501	2,221	2,501
Corporation tax	-	1,270	-	1,270
Accruals	9,011	7,066	9,011	7,066
Amounts due to group undertakings	65,947	68,506	65,947	68,506
Other creditors	18,844	26,636	18,844	26,636
	<u>188,518</u>	<u>188,602</u>	<u>188,518</u>	<u>188,602</u>

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% (1992 - 33%) is as follows:

	Group
	1993
	£000
Capital allowances in advance of depreciation	4,861
Other timing differences	(2,766)
	<u>2,095</u>
Unutilised trading losses	(2,095)
	<u>-</u>
	<u>1,265</u>

17. OTHER PROVISIONS

	Provisions for rationalisation and closure costs	Warranty provisions	Pensions provision	Total
	£000	£000	£000	£000
At 1 January 1993	4,156	1,549	7,306	13,011
Additional provisions during the year	2,677	924	2,862	6,463
Amounts utilised in year	(2,775)	(144)	-	(2,919)
Amounts released in year	-	(144)	-	(144)
At 31 December 1993	<u>4,058</u>	<u>2,185</u>	<u>10,168</u>	<u>16,411</u>

Pensions have been reclassified as 'Other Provisions'. In 1992 they were included in 'Creditors: amounts falling due within one year'.

Cooper (Great Britain) Ltd

NOTES TO THE ACCOUNTS

at 31 December 1993

18. SHARE CAPITAL

	1993	Authorised 1992	1993	1992
	No.	No.	£	£
Ordinary shares of £1 each	100	100	100	100

19. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital	Share premium account	Capital reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
<i>Company:</i>					
At 1 January 1992	-	9,450	-	(2,731)	6,719
Loss for the year				(6,642)	(6,642)
At 1 January 1993	-	9,450	-	(9,373)	77
Loss for the year				(7,929)	(7,929)
Income from shares in subsidiary undertaking				65,900	65,900
At 31 December 1993	-	9,450	-	48,598	58,048
	Share capital	Share premium account	Capital reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
<i>Group</i>					
At 1 January 1992	-	9,450	67,634	(4,088)	72,996
Loss for the year			-	(6,642)	(6,642)
Adjustment to negative goodwill relating to subsidiaries acquired in previous year:	-	-	(372)	-	(372)
At 1 January 1993	-	9,450	67,262	(10,730)	65,982
Loss for the year				(7,934)	(7,934)
At 31 December 1993	-	9,450	67,262	(18,664)	58,048

20. CAPITAL COMMITMENTS

	1993	1992
	£000	£000
Group and company:		
Contracted for	9,302	2,045
Authorised by the directors but not contracted for	2,544	2,546

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

Cooper (Great Britain) Ltd

NOTES TO THE ACCOUNTS

at 31 December 1993

21. OTHER FINANCIAL COMMITMENTS

At 31 December 1993 the annual commitments under non-cancellable operating leases are as set out below:

	1993	Group	1993	Company
	£000	1992	£000	1992
		£000		£000
<i>Land and buildings</i>				
Operating leases which expire:				
within one year	101	30	101	30
within two to five years	387	426	387	426
in over five years	692	772	692	772
	<u>1,180</u>	<u>1,228</u>	<u>1,180</u>	<u>1,228</u>
<i>Other</i>				
Operating leases which expire:				
within one year	128	214	128	214
within two to five years	654	950	654	950
in over five years	1,809	142	1,809	142
	<u>2,591</u>	<u>1,306</u>	<u>2,591</u>	<u>1,306</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 5. 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 1993 and 1 May 1993 using the following main assumptions:

	% per annum
Investment return	9
Salary increases	7
Pension increases	3-4.5

At the date of the valuations the total market value of the three schemes was £73,892,000 and the actual value of the assets was sufficient to cover 89% to 121% 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 1993, the group and company had contingent liabilities of £21,480,000, relating to performance bonds (£6,668,000) and other guarantees and indemnities (£14,812,000). The group and company had commitments under foreign exchange contracts amounting to £6,958,000.

Cooper (Great Britain) Ltd

NOTES TO THE ACCOUNTS

at 31 December 1993

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.

25. POST BALANCE SHEET EVENTS

In May 1994 the group sold part of the business which manufactured forged products.