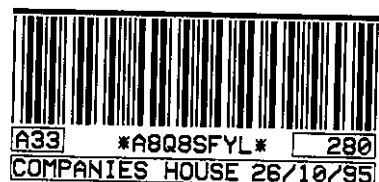

CoopCam (UK) Limited
(formerly Cooper (Great Britain)
Ltd)

Report and Accounts

31 December 1994

Registered Number: 1080126



CoopCam (UK) Limited

Registered No. 1080126

DIRECTORS

J D Carne
D K Schumacher
G Mackie

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 1994.

CHANGE OF NAME

The company changed its name from Cooper (Great Britain) Ltd to CoopCam (UK) Limited on 1 January 1995.

RESULTS AND DIVIDENDS

The group loss for the year after taxation amounted to £6,659,000.

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 forged products.

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.

POST BALANCE SHEET EVENTS

The company ceased trading on 1 January 1995. On this date the assets, liabilities and trade of the company's petroleum and industrial equipment business were transferred to a subsidiary undertaking, Cooper Cameron (UK) Limited, (formerly Cameron Iron Works Limited).

The remaining assets, liabilities and trade of the company were transferred to Cooper (Great Britain) Ltd (formerly Expandforce Limited).

DIRECTORS AND THEIR INTERESTS

The directors throughout the year were as follows:

Abogado Nominees Limited	(resigned 1 October 1994, reappointed 10 February 1995, resigned 25 April 1995)
J D Carne	
D K Schumacher	
G Mackie	(appointed 1 October 1994)
D M Vance	(appointed 1 October 1994, resigned 16 May 1995)
B L Kent	(appointed 1 October 1994, resigned 31 December 1994)
F O'Brien	(appointed 1 October 1994, resigned 31 December 1994)

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

DIRECTORS' REPORT

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.

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.

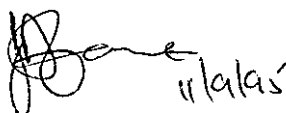
CHARITABLE CONTRIBUTIONS

During the year the group made contributions to various charities amounting to £30,000.

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

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 CoopCam (UK) Limited

We have audited the accounts on pages 6 to 20, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 10 and 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.

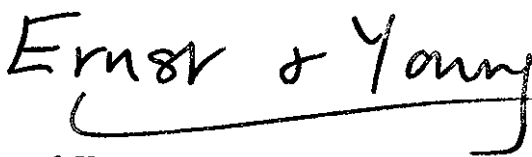
Basis of opinion

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 1994 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 13 September 1995

CoopCam (UK) Limited

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1994

	Notes	1994 £000	1994 £000	1993 £000
TURNOVER				
Continuing operations - ongoing	2	184,589		241,307
Discontinued operations		2,539		48,970
			187,128	290,277
Cost of sales	3		166,414	260,441
Gross profit			20,714	29,836
Distribution costs	3	16,115		19,883
Administrative expenses	3	16,904		12,161
			33,019	32,044
OPERATING LOSS	4			
Continuing operations - ongoing		(14,252)		1,529
Discontinued operations		1,947		(3,737)
			(12,305)	(2,208)
Continuing operations:				
Reorganisation and restructuring costs		(3,042)		(768)
Provisions for reorganisation and restructuring costs		-		(2,677)
Less 1993 provision		2,677		-
			(365)	(3,445)
Discontinued operations:				
Profit/(loss) on sale of operation		8,901		(4,437)
Less provision		-		2,775
Release of provision		676		-
			9,577	(1,662)
			(3,093)	(7,315)
Interest receivable	6	2,727		2,994
Interest payable	7	(5,236)		(6,900)
			(2,509)	(3,906)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(5,602)	(11,221)
Tax on loss on ordinary activities	8		(1,057)	3,287
LOSS RETAINED FOR THE FINANCIAL YEAR			(6,659)	(7,934)

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the retained loss of £6,659,000 for the year ended 31 December 1994, and the retained loss of £7,934,000 for the year ended 31 December 1993.

CoopCam (UK) Limited

GROUP BALANCE SHEET

at 31 December 1994

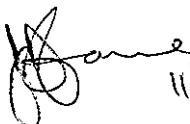
	Notes	1994 £000	1993 £000
FIXED ASSETS			
Tangible assets:			
Land and buildings	10	20,750	18,042
Plant and machinery	10	20,364	25,327
Assets in the course of construction	10	4,912	705
		<u>46,026</u>	<u>44,074</u>
CURRENT ASSETS			
Stocks	12	56,942	69,358
Debtors	13	54,742	82,552
Investments		-	634
Cash at bank and in hand		80,841	66,359
		<u>192,525</u>	<u>218,903</u>
CREDITORS: amounts falling due within one year	15	<u>177,164</u>	<u>188,518</u>
NET CURRENT ASSETS		<u>15,361</u>	<u>30,385</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>61,387</u>	<u>74,459</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	16	1,057	-
Other provisions	17	8,941	16,411
		<u>9,998</u>	<u>16,411</u>
		<u>51,389</u>	<u>58,048</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	(25,323)	(18,664)
		<u>51,389</u>	<u>58,048</u>

CoopCam (UK) Limited

BALANCE SHEET

at 31 December 1994

	Notes	1994 £000	1993 £000
FIXED ASSETS			
Tangible assets	10	46,026	44,074
CURRENT ASSETS			
Stock	12	56,942	69,358
Debtors	13	54,742	82,552
Investments		-	634
Cash at bank and in hand		80,841	66,359
		192,525	218,903
CREDITORS: amounts falling due within one year	15	177,164	188,518
NET CURRENT ASSETS		15,361	30,385
TOTAL ASSETS LESS CURRENT LIABILITIES		61,387	74,459
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	16	1,057	-
Other provisions	17	8,941	16,411
		9,998	16,411
		51,389	58,048
CAPITAL AND RESERVES			
Called up share capital	18	-	-
Share premium account	19	9,450	9,450
Profit and loss account	19	41,939	48,598
		51,389	58,048

 11/9/95

J D Carne
Director

CoopCam (UK) Limited

GROUP STATEMENT OF CASH FLOWS

for the year ended 31 December 1994

	<i>Notes</i>	<i>1994</i> <i>£000</i>	<i>1993</i> <i>£000</i>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	4(b)	19,016	(3,819)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		2,727	2,994
Interest paid		(5,236)	(6,900)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(2,509)	(3,906)
TAX RECEIVED/(PAID)		974	(17)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(21,380)	(9,220)
Receipts from sales of tangible fixed assets		20,939	40
Receipt from sale of current asset investment		634	-
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		193	(9,180)
NET CASH OUTFLOW BEFORE FINANCING		17,674	(16,922)
FINANCING		-	-
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	14	17,674	(16,922)
		17,674	(16,922)

NOTES TO THE ACCOUNTS

at 31 December 1994

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 £1,696,000 (1993 - £744,000);
- (ii) to increase stock and work-in-progress at 31 December 1994 by £4,952,000 (1993 - £3,256,000).

Warranty costs

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

NOTES TO THE ACCOUNTS

at 31 December 1994

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:

	1994 £000	1993 £000
United Kingdom	112,210	145,796
Other European Countries	32,849	75,522
North and South America	2,256	10,411
Africa	22,648	15,997
Australasia	496	3,696
Asia	16,669	38,855
	<u>187,128</u>	<u>290,277</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.

	1994			1993		
	<i>Continuing</i>	<i>Discontinued</i>	<i>Total</i>	<i>Continuing</i>	<i>Discontinued</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost of sales	163,632	2,782	166,414	212,292	48,149	260,441
Distribution costs	16,012	103	16,115	17,472	2,411	19,883
Administrative costs	19,197	(2,293)	16,904	10,014	2,147	12,161

	1994	1993
	£000	£000
Operating lease rentals:		
Plant and machinery	1,231	2,608
Land and buildings	1,504	1,163
Auditors' remuneration - audit services	98	102
- non audit services	55	156
Depreciation	6,579	7,724
Government grant	-	(144)

	1994 £000	1993 £000
Operating loss	(12,305)	(2,208)
Depreciation	6,579	7,724
Exceptional items	9,212	(5,107)
(Profit)/loss on sale of fixed assets	(8,090)	2,477
Decrease/(increase) in debtors	26,836	(9,096)
Decrease in stocks	12,416	17,890
Decrease in creditors	(8,162)	(18,899)
(Decrease)/increase in provisions	(7,470)	3,400
Net cash inflow/(outflow) from operating activities	19,016	(3,819)

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CoopCam (UK) Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

4. OPERATING LOSS (continued)

(c) Directors' remuneration:

	<i>1994</i>	<i>1993</i>
	<i>£000</i>	<i>£000</i>
Emoluments (including pension contributions)	109	60
Emoluments (excluding pension contributions) of the highest paid director	60	55

No director regularly acts as Chairman.

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

	<i>1994</i>	<i>1993</i>
	<i>No.</i>	<i>No.</i>
£ nil - £ 5,000	2	2
£10,001 - £15,000	2	-
£15,001 - £20,000	1	-
£55,001 - £60,000	-	1
£60,001 - £65,000	1	-

5. STAFF COSTS

	<i>1994</i>	<i>1993</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	46,047	67,898
Social security costs	3,926	5,259
Other pension costs	1,476	6,044
	51,449	79,201

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

	<i>1994</i>	<i>1993</i>
	<i>No.</i>	<i>No.</i>
Office and management	673	1,273
Manufacturing	1,460	1,758
	2,133	3,031

6 INTEREST RECEIVABLE

	<i>1994</i>	<i>1993</i>
	<i>£000</i>	<i>£000</i>
Bank interest	2,727	2,994

CoopCam (UK) Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

7. INTEREST PAYABLE

	1994	1993
	£000	£000
Bank loans and overdrafts and other loans wholly repayable within five years	2,266	3,039
Loans from group undertakings	2,970	3,861
	<u>5,236</u>	<u>6,900</u>

8. TAX ON LOSS ON ORDINARY ACTIVITIES

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

	1994	1993
	£000	£000
Advance Corporation tax	-	(974)
Deferred taxation at 33% (1993 - 33%)	1,057	(1,265)
Corporation tax over provided in previous years	-	(1,048)
	<u>1,057</u>	<u>(3,287)</u>

There are unutilised tax losses available for offset against future taxable profits of approximately £22,000,000.

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

	1994	1993
	£000	£000
(Loss)/profit dealt with in the accounts of the holding company	<u>(6,659)</u>	<u>57,971</u>

10. TANGIBLE FIXED ASSETS

<i>Group and Company</i>	<i>Assets in course of construction £000</i>	<i>Land and buildings £000</i>	<i>Plant and machinery £000</i>	<i>Total £000</i>
Cost:				
At 1 January 1994	705	29,180	87,604	117,489
Additions	4,207	8,838	8,335	21,380
Disposals	-	(11,149)	(37,547)	(48,696)
At 31 December 1994	<u>4,912</u>	<u>26,869</u>	<u>58,392</u>	<u>90,173</u>
Depreciation:				
At 1 January 1994	-	11,138	62,277	73,415
Provided during the period	-	669	5,910	6,579
Disposals	-	(5,688)	(30,159)	(35,847)
At 31 December 1994	<u>-</u>	<u>6,119</u>	<u>38,028</u>	<u>44,147</u>
Net book value:				
At 31 December 1994	<u>4,912</u>	<u>20,750</u>	<u>20,364</u>	<u>46,026</u>
At 1 January 1994	<u>705</u>	<u>18,042</u>	<u>25,327</u>	<u>44,074</u>

NOTES TO THE ACCOUNTS

at 31 December 1994

10. TANGIBLE FIXED ASSETS (continued)

The net book value of land and buildings comprise:

<i>Group and Company</i>	<i>1994</i>	<i>1993</i>
	<i>£000</i>	<i>£000</i>
Freehold	20,168	17,461
Short leaseholds	582	581
	<u>20,750</u>	<u>18,042</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>
Cooper Cameron (UK) Limited (formerly Cameron Iron Works Limited)	England & Wales	Ordinary shares	100%	Manufacture and sale of engineering products for petroleum and industrial equipment industries
Cooper (Great Britain) Ltd (formerly Expandforce Limited)	England & Wales	Ordinary shares	100%	Manufacture and sale of engineering products for the automotive and other engineering industries
Cameron Offshore Engineering Limited	England & Wales	Ordinary shares	100%	Non-trading

12. STOCKS

Group and company:

	<i>1994</i>	<i>1993</i>
	<i>£000</i>	<i>£000</i>
Raw materials and consumables	4,600	14,835
Work-in-progress	8,545	22,112
Finished goods and goods for resale	43,797	32,411
	<u>56,942</u>	<u>69,358</u>

NOTES TO THE ACCOUNTS

at 31 December 1994

13. DEBTORS*Group and company:*

	<i>1994</i>	<i>1993</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	41,768	69,708
Corporation tax recoverable	-	974
Amounts due from group undertakings	3,030	6,088
Other debtors	7,858	2,999
Prepayments and accrued income	2,086	2,783
	<u>54,742</u>	<u>82,552</u>

Trade debtors in 1994 include £7,400,000 which is due in more than one year.

14. CASH AND CASH EQUIVALENTS

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

	<i>1994</i>	<i>1993</i>	<i>Change</i>
	<i>£000</i>	<i>£000</i>	<i>in year</i>
			<i>£000</i>
Cash at bank and in hand	80,841	66,359	14,482
Bank overdraft	(35,334)	(34,731)	(603)
Short term loans	(44,000)	(47,795)	3,795
	<u>1,507</u>	<u>(16,167)</u>	<u>17,674</u>
			<i>Change</i>
	<i>1993</i>	<i>1992</i>	<i>in year</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
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>

CoopCam (UK) Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

15. CREDITORS: amounts falling due within one year

Group and company:

	1994 £000	1993 £000
Bank overdraft	35,334	34,731
Short term loans	44,000	47,795
Trade creditors	9,978	9,969
Other taxes and social security costs	1,948	2,221
Accruals	4,736	9,011
Amounts due to group undertakings	70,717	65,947
Other creditors	10,451	18,844
	<u>177,164</u>	<u>188,518</u>

16. DEFERRED TAXATION

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% (1993 - 33%) is as follows:

Group and company:

	1994 £000	1993 £000
Capital allowances in advance of depreciation	5,226	4,861
Other timing differences	(3,042)	(2,766)
	<u>2,184</u>	<u>2,095</u>
Unutilised trading losses	(1,127)	(2,095)
	<u>1,057</u>	<u>-</u>

17. OTHER PROVISIONS

Group and company:

	Provisions for rationalisation and closure costs £000	Warranty provisions £000	Pensions provision £000	Total £000
At 1 January 1994	4,058	2,185	10,168	16,411
Additional provisions during the year	225	329	53	607
Amounts utilised in year	(3,522)	(1,069)	-	(4,591)
Amounts released in year	(676)	(193)	(2,617)	(3,486)
At 31 December 1994	<u>85</u>	<u>1,252</u>	<u>7,604</u>	<u>8,941</u>

NOTES TO THE ACCOUNTS

at 31 December 1994

18. SHARE CAPITAL

	<i>1994</i>	<i>Authorised</i>	<i>Allotted, called up</i>	<i>and fully paid</i>
	<i>1994</i>	<i>1993</i>	<i>1994</i>	<i>1993</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	100	100	100	100

19. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

<i>Company</i>	<i>Share capital</i>	<i>Share premium account</i>	<i>Capital reserve</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
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
Loss for the year				(6,659)	(6,659)
At 31 December 1994		9,450	-	41,939	51,389
<i>Group</i>					
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
Loss for the year				(6,659)	(6,659)
At 31 December 1994	-	9,450	67,262	(25,323)	(51,389)

20. CAPITAL COMMITMENTS

	<i>1994</i>	<i>1993</i>
	<i>£000</i>	<i>£000</i>
<i>Group and company:</i>		
Contracted for	15,160	9,302
Authorised by the directors but not contracted for	5,592	2,544

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

NOTES TO THE ACCOUNTS

at 31 December 1994

21. OTHER FINANCIAL COMMITMENTS

At 31 December 1994 the annual commitments under non-cancellable operating leases are as set out below:

Group and company

	1994	1993
	£000	£000
<i>Land and buildings</i>		
Operating leases which expire:		
within one year	214	101
within two to five years	139	387
in over five years	1,052	692
	<u>1,405</u>	<u>1,180</u>
<i>Other</i>		
Operating leases which expire:		
within one year	154	128
within two to five years	867	654
in over five years	1	1,809
	<u>1,022</u>	<u>2,591</u>

22. PENSION COMMITMENTS

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

The total pension cost is set out in Note 5. The decrease in the 1994 cost compared to 1993 is due to a one off payment in 1993 in response to the deficit experienced by one scheme, the sale of the forged products business and consequent reduction in contributions, and a contribution holiday taken in 1994 by one of the schemes experiencing a surplus. The contributions to the schemes are determined with the advice of independent professionally 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 valuations of the three major schemes were conducted at 1 April 1993, 1 May 1993 and 1 May 1994. Owing to the impact of the sale of the forged products business on one of the pension schemes and the change from surplus to deficit on another, the formal valuations were superseded by informal valuations at 1 May 1994 and 31 December 1994. The following main assumptions were used:

	% per annum
Investment return	9
Salary increases	7
Pension increases	0-4.5

At the date of the informal valuations the total market value of the net assets of the schemes was £66,402,000 and the actual value of the assets was sufficient to cover 89% to 117% of the benefits that had accrued to members on the valuation dates allowing for assumed future increases in earnings.

NOTES TO THE ACCOUNTS

at 31 December 1994

Following the sale of the forged product business, the provision set up in accordance with the Statement of Standard Accounting Practice number 24 to account for the difference between the amounts funded and the amounts charged to the profit and loss account, has been released to the profit and loss account. The effect is a credit to the profit and loss account of £2,617,000 (note 17).

23. CONTINGENT LIABILITIES

At 31 December 1994, the group and company had contingent liabilities of £14,356,000, relating to performance bonds and other guarantees and indemnities. The group and company had commitments under foreign exchange contracts amounting to £3,370,000.

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

The company ceased trading on 1 January 1995. On this date the assets, liabilities and trade of the company's petroleum and industrial equipment business were transferred to a subsidiary undertaking, Cooper Cameron (UK) Limited, (formerly Cameron Iron Works Limited).

The remaining assets, liabilities and trade of the company were transferred to another subsidiary undertaking, Cooper (Great Britain) Ltd (formerly Expandforce Limited).