

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

1498498

BIRKBY LODGE

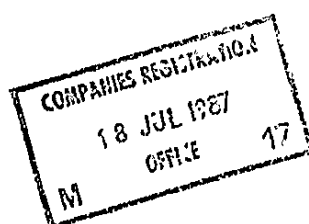
HUDDERSFIELD

ANNUAL

REPORT AND ACCOUNTS

YEAR ENDED 30TH JANUARY 1987

To be presented to the Seventh Annual General Meeting
of the Company to be held on 15th May 1987.



HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

NOTICE IS HEREBY GIVEN

that the Seventh Annual General Meeting of the Company will be held at Birkby Lodge, Huddersfield, on 15th May 1987.

1. To receive and adopt the Directors' Report and Statement of Accounts for the year ended 30th January 1987, and the Auditors' report thereon.
2. To re-elect Directors.
3. To confirm that no dividend will be paid for the year.
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To re-appoint the Auditors.

Dated this 24th day of April 1987.

By Order of the Board


Secretary.

Birkby Lodge,
Huddersfield.

In accordance with Section 372 of the Companies Act 1985, notice is hereby given that a member entitled to attend and vote at this meeting is entitled to appoint another person, whether a member or not, as his proxy to attend and on a poll to vote in his stead. (The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for holding the meeting).

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

DIRECTORS

J. R. S. RUSSELL (Chairman)

P. K. THOMAS

D. WESTON

D. BURKINSHAW

SECRETARY AND REGISTERED OFFICE

B. SPENCER

BIRKBY LODGE, HUDDERSFIELD

AUDITORS

PRICE WATERHOUSE

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their Annual Report, together with the Accounts of the Company for the year ended 30th January 1987.

Results and Dividend

The profit for the year after taxation was £20,148. (1986 - loss £17,399)

The Directors do not recommend the payment of a dividend, and this amount has been added to the Profit and Loss account.

Review of the Business

The Company's principal activities are the repair, service and selling of high and low pressure valves. The Directors consider that the Company is well placed to take advantage of any opportunities which may arise in the future.

Directors and their Interests

The Directors at the end of the year were:-

J. R. S. Russell	(appointed 1st September 1986)
P. K. Thomas	(appointed 1st September 1986)
D. Weston	
D. Burkinshaw	

Mr. J. R. S. Russell and Mr. P. K. Thomas are Directors of the ultimate Holding Company. No other director has any interest in the share capital of the company or in the share capital of any other group company.

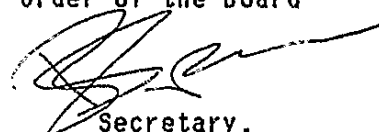
In accordance with the Articles of Association, Mr. J. R. S. Russell and Mr. P. K. Thomas retire by rotation, and, being eligible, offer themselves for re-election.

Auditors.

The Auditors, Price Waterhouse, having expressed their willingness to continue in office, offer themselves for re-appointment.

Birkby Lodge,
Huddersfield.

By Order of the Board



Secretary.

24th April, 1987.

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED
 PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JANUARY 1987

	notes	1987 £	1986 £
TURNOVER	1	151,290	219,352
Costs and overheads	2	113,918	247,923
		-----	-----
OPERATING PROFIT/(LOSS)		37,372	(28,571)
Interest		0	0
		-----	-----
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		37,372	(28,571)
Taxation charge/(credit)	3	17,224	(11,172)
		-----	-----
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		20,148	(17,399)
Dividend		0	0
		-----	-----
PROFIT/(LOSS) RETAINED	6	20,148	(17,399)
		=====	=====

Notes on pages 7 to 8 are to be read as part of the Accounts.
 Movements on reserves are shown in note 6.

REPORT OF THE AUDITORS

To the members of Hopkinsons Sales and Service (Scotland) Limited.

We have audited the accounts on pages 4 to 9 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30th January 1987 and of the profit and source and application of funds for the year then ended and comply with the Companies Act 1985

Price Waterhouse

Chartered Accountants

Leeds

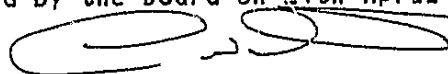
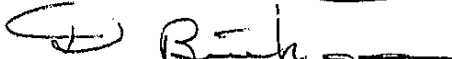
24th April 1987.

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

BALANCE SHEET AT 30TH JANUARY 1987

	notes	1987 £	1986 £
FIXED ASSETS			
Tangible assets	4	8,434	8,438
CURRENT ASSETS			
Debtors - amounts due from group companies		53,296	7,144
taxation recoverable		0	11,000
		53,296	18,144
CREDITORS (due within one year)			
Taxation		15,000	0
NET CURRENT ASSETS		38,296	18,144
TOTAL ASSETS LESS CURRENT LIABILITIES		46,730	26,582
SHARE CAPITAL AND RESERVES			
Called up share capital	5	100	100
Profit and loss account	6	46,630	26,482
		46,730	26,582

Approved by the Board on 24th April 1987

Directors

Notes on pages 7 to 8 are to be read as part of the Accounts.

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

ACCOUNTING POLICIES

The principal accounting policies adopted by the company are set out below.

Accounting Period

The accounting year to 30th January 1987 includes 52 weeks. (1986 includes 52 weeks).

Accounting Convention

The accounts have been prepared under the historical cost convention.

Government Grants

Government grants are credited to fixed assets or trading profit depending upon the treatment of the expenditure in respect of which they arise.

Turnover

Turnover represents the value of goods sold and services supplied, excluding value added tax.

Depreciation

Depreciation is calculated to write off the cost of assets, after deducting Government grants, from the date of purchase by equal annual instalments over their estimated useful lives, which are principally as follows:-

Plant and equipment - 5 to 10 years
Vehicles - 4 years

Repairs and Renewals

All repairs and renewals are written off as incurred.

Deferred Taxation

Provision is made for deferred taxation on the liability method unless there is a reasonable probability that no payment will be made in the foreseeable future.

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

NOTES ON ACCOUNTS

	1987 £	1986 £
1. TURNOVER		
All turnover relates to the U.K. Included above are sales to group companies amounting to £36,957 (1986 - £8,598)	151,290	219,352
	-----	-----
2. COSTS AND OVERHEADS		
Raw materials and consumables	9,313	30,570
Other external charges	45,509	153,807
Staff costs (see below)	54,737	53,165
Depreciation	4,359	4,202
Redundancy costs	0	3,791
Payments in lieu of notice	0	2,388
	-----	-----
	113,918	247,923
	-----	-----

Other external charges include:

Audit fees	1,000	1,000
Staff costs		
Wages and salaries	48,481	46,873
Social security costs	3,523	3,635
Other pension costs	2,733	2,657
	-----	-----
	54,737	53,165
	=====	=====

All Directors of the Company are employed and remunerated by Hopkinsons Limited or Hopkinsons Holdings plc.

The average number of employees during the year was 4 (1986-6) and they were all based in the United Kingdom.

3. TAXATION

Based on profit on ordinary activities
for year

Corporation tax at 36%	15,000	(11,000)
Prior year adjustments	2,224	(172)
	-----	-----
	17,224	(11,172)
	=====	=====

The potential liability for taxation
deferred by capital allowances at 36%
and not provided in these accounts
amounts to

1,500	1,500
=====	=====

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

NOTES ON ACCOUNTS

	1987 £	1986 £
4. TANGIBLE FIXED ASSETS		
Cost		
At 31st January 1986	21,585	63,573
Additions	4,355	7,885
Disposals	(3,138)	(31,467)
Inter group transfers	0	(18,406)
	-----	-----
At 30th January 1987	22,802	21,585
Depreciation		
At 31st January 1986	13,147	36,227
Charge for year	4,359	4,202
Disposals	(3,138)	(19,035)
Inter group transfers	0	(8,247)
	-----	-----
At 30th January 1987	14,368	13,147
	-----	-----
Net book amount at 30th January 1987	8,434	8,438
	-----	-----

All the assets are classified as plant and machinery.
There were no capital commitments at the end of the year

5. CALLED UP SHARE CAPITAL		
Ordinary shares of £1 each		
Authorised, allotted and fully paid	100	100
	-----	-----
6. PROFIT AND LOSS ACCOUNT	£	
Balance at 31st January 1986	26,482	
Retained in year	20,148	

Balance at 30th January 1987	46,630	
	=====	

7. PENSION COMMITMENTS

The Company's employees are members of the pension scheme operated by its holding company, Hopkinsons Limited. The scheme is financed through a separate trustee administered fund. Contributions are based upon actuarial advice and charged against profits. The Directors are advised that the scheme is adequately funded at the present time.

8. HOLDING COMPANY

The Company is a wholly owned subsidiary of Hopkinsons Limited. The ultimate holding company is Hopkinsons Holdings plc, which is incorporated in Great Britain.

9. POST BALANCE SHEET EVENT

As at 31st January 1987 all the assets and liabilities of the company were transferred at their net book value to Hopkinsons Limited.

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 30TH JANUARY 1987

	1987 £	1986 £
SOURCE OF FUNDS		
Profit/(Loss) on ordinary activities before tax	37,372	(28,571)
Depreciation	4,359	4,202
	<u>41,731</u>	<u>(24,369)</u>
APPLICATION OF FUNDS		
Debtors	46,152	(7,613)
Fixed assets less disposals	4,355	(14,706)
Tax received	(8,776)	(172)
	<u>41,731</u>	<u>(22,491)</u>
NET MOVEMENT IN CASH AND BANK	<u>0</u>	<u>(1,878)</u>