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HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

BIRKBY LODGE

21.
HUDDERSFIELD

ANNUAL
REPORT AND ACCOUNTS
YEAR ENDED 31ST JANUARY 1986

To be presented to the Sixth Annual General Meeting
of the Company to be held on 25th June 1986.



HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

NOTICE IS HEREBY GIVEN

that the Sixth Annual General Meeting of the Company will be held at Birkby Lodge, Huddersfield, on 25th June 1986.

1. To receive and adopt the Directors' Report and Statement of Accounts for the year ended 31st January 1986, and the Auditors' report thereon.
2. To re-elect a Director.
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 25th day of April 1986.

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

D. WESTON (Chairman)

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 31st January 1986.

Results and Dividend

The loss for the year after taxation was £17,399. (1985 - £6,775)

The Directors do not recommend the payment of a dividend, and this amount has been deducted from 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. Trading conditions deteriorated during the year and the company closed its depot at Cumbernauld in November 1985.

Directors and their Interests

The Directors at the end of the year were:-

D. Weston
D. Burkinshaw

No 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. D. Weston retires by rotation, and, being eligible, offers himself 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.

25th April, 1986.

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st JANUARY 1986

	notes	1986 £	1985 £
TURNOVER	1	219,352	224,973
Costs and overheads	2	247,923	232,703
		-----	-----
OPERATING LOSS		(28,571)	(7,730)
Interest		0	0
		-----	-----
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(28,571)	(7,730)
Taxation (credit)	3	(11,172)	(955)
		-----	-----
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(17,399)	(6,775)
Dividend		0	0
		-----	-----
LOSS RETAINED		(17,399)	(6,775)
		=====	=====

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

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 31st January 1986 and of the loss and source and application of funds for the year then ended and comply with the Companies Act 1985.

P. A. Waterhouse

Chartered Accountants

Leeds

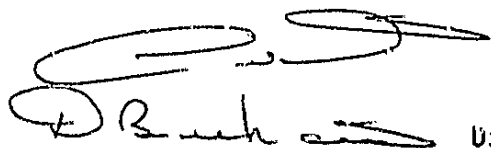
25th April 1986.

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

BALANCE SHEET AT 31st JANUARY 1986

	notes	1986 £	1985 £
FIXED ASSETS			
Tangible assets	4	8,438	27,346
CURRENT ASSETS			
Debtors - amounts due from group companies taxation recoverable		7,144 11,000	14,757 0
		18,144	14,757
Cash at bank and in hand		0	1878
		18,144	16,635
CREDITORS (due within one year)		0	0
NET CURRENT ASSETS		18,144	16,635
TOTAL ASSETS LESS CURRENT LIABILITIES		26,582	43,981
SHARE CAPITAL AND RESERVES			
Called up share capital	5	100	100
Profit and loss account		26,482	43,881
		26,582	43,981

Approved by the Board on 25th April 1986

 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 31st January 1986 includes 52 weeks. (1985 includes 53 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

	1986 £	1985 £
1. TURNOVER		
All turnover relates to the U.K. Included above are sales to group companies amounting to £8,598. (1985 - £8,247)	219,352	224,973
2. COSTS AND OVERHEADS		
Raw materials and consumables	30,570	36,575
Other external charges	153,807	121,402
Staff costs (see below)	53,165	66,522
Depreciation	4,202	8,204
Redundancy costs	3,791	0
Payments in lieu of notice	2,388	0
	247,923	232,703

Other external charges include:

Audit fees	1,000	1,000
Staff costs		
Wages and salaries	46,873	58,319
Social security costs	3,635	4,609
Other pension costs	2,657	3,594
	53,165	66,522

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

The average number of employees during the year was 6 (1985-8) and they were all based in the United Kingdom.

3. TAXATION

Based on loss on ordinary activities
for year

Corporation tax at 41%	(11,000)	0
Prior year adjustments	(172)	(955)
	(11,172)	(955)

The potential liability for taxation
deferred by capital allowances at 41%
and not provided in these accounts
amounts to

1,500	12,000
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HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

NOTES ON ACCOUNTS

	1986 £	1985 £
4. TANGIBLE FIXED ASSETS		
Cost		
At 1st February 1985	63,573	63,573
Additions	7,885	0
Disposals	(31,467)	0
Inter group transfers	(18,406)	0
	<hr/>	<hr/>
At 31st January 1986	21,585	63,573
	<hr/>	<hr/>
Depreciation		
At 1st February 1985	36,227	28,023
Charge for year	4,202	8,204
Disposals	(19,035)	0
Inter group transfers	(8,247)	0
	<hr/>	<hr/>
At 31st January 1986	13,147	36,227
	<hr/>	<hr/>
Net book amount at 31st January 1986	8,438	27,346
	<hr/>	<hr/>

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
	<hr/>	<hr/>

6. 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.

7. 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.

HOPKINSONS SALES AND SERVICE (SCOTLAND) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST JANUARY 1986

	1985 £	1985 £
SOURCE OF FUNDS		
Loss on ordinary activities before tax	(28,571)	(7,730)
Depreciation	4,202	8,204
	<u>(24,369)</u>	<u>474</u>
 APPLICATION OF FUNDS		
Debtors	(7,613)	3,513
Fixed assets less disposals	(14,706)	0
Tax received	(172)	(2,955)
	<u>(22,491)</u>	<u>558</u>
 NET MOVEMENT IN CASH AND BANK	 <u>(1,878)</u>	 <u>(84)</u>