

REGISTRAR OF COMPANIES

Company Number  
1546879

TATHAM MILLER LIMITED  
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

30TH SEPTEMBER 1995



**TATHAM MILLER LIMITED**  
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

**COMPANY INFORMATION**

**Directors**

M E Sara (Chairman)  
E Johnson  
H C Everett  
M G Chance

**Secretary**

M G Chance

**Registered office**

P.O. Box No. 4  
Canal Street  
Brierley Hill  
West Midlands

**Auditors**

John W Hinks & Co.  
Chartered Accountants  
Church House  
5-14 South Road  
Smethwick  
Warley  
West Midlands  
B67 7BH

**Bankers**

Midland Bank PLC  
P.O. Box No. 6  
Market Place  
Willenhall  
West Midlands  
WV13 2AF

Company No: 1546879

TATHAM MILLER LIMITED  
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REPORT AND FINANCIAL STATEMENTS 30TH SEPTEMBER 1995

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**TATHAM MILLER LIMITED**  
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

**Report of the directors**

The directors present their report and financial statements for the year ended 30th September 1995.

**Principal activity and business review**

The principal activity of the company, is that of steel stockholding.

The profit after tax amounts to £105,604 for the year ended 30th September 1995. (1994 - £5,893).

During the year the company acquired the business and assets of a steel stockholder in Preston, T.C. Holden Steel Stockholders.

**Dividends**

The directors recommend that a dividend of £70,000 be paid in respect of the year (1994 - £4,000).

If this recommendation is approved £35,604 will be added to reserves.

**Fixed assets**

Changes in fixed assets are set out in note 10 to the financial statements.

The directors have consulted professional valuers and are advised that, in line with property values generally, the value of the company's freehold and leasehold property has fallen below that shown in the accounts. The directors believe that this is a temporary shortfall reflecting the current economic climate.

**Political contributions and charitable donations**

The company made no charitable donations or political contributions during the year.

**Tax status**

As far as the directors are aware the close company provisions of the Income and Corporation Taxes Act 1988, do not apply to the company. There has been no change in this respect since the end of the financial year.

**TATHAM MILLER LIMITED**  
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Report of the directors (continued)

**Directors**

The following persons were directors of the company during the year:

M E Sara  
E Johnson  
H C Everett  
M G Chance

**Directors' interests in the shares of the parent company**

The interests of the directors of this company at 30th September in the shares of the parent company Hill & Smith Holdings PLC according to the Register required to be kept by the Companies Act 1985 were as follows:-

	<u>30th September 1995</u>	<u>30th September 1994</u>
M E Sara	157,110	141,546
E Johnson	89,249	81,791
H C Everett	46,760	42,436
M G Chance	9,773	8,885
	<hr/>	<hr/>

**Going Concern**

The directors are satisfied that the company is a going concern. In forming this view, the directors have reviewed current internal financial projections and the facilities available to meet the company's cash requirements.

**Auditors**

John W Hinks & Co. Chartered Accountants, offer themselves for re-appointment in accordance with Section 385, Companies Act 1985.

By Order of the Board

M G Chance



Secretary

11th January 1996

**TATHAM MILLER LIMITED**  
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that year. The financial statements must be prepared in compliance with the required formats and disclosures of the Companies Act 1985 and with applicable accounting standards. In addition the directors are required:

- i) to select suitable accounting policies and then apply them consistently.
- ii) to make judgements and estimates that are reasonable and prudent.
- iii) to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the financial statements comply with the above requirements, and that applicable accounting standards have been followed.

The directors are also responsible for maintaining adequate accounting records so as to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities.

**TATHAM MILLER LIMITED**  
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**REPORT OF THE AUDITORS TO THE MEMBERS OF  
TATHAM MILLER LIMITED**

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on these statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

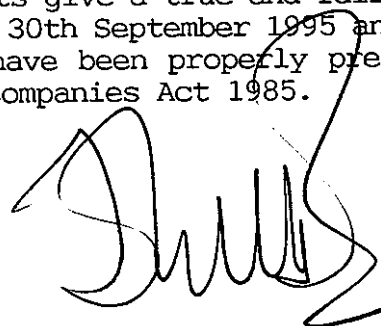
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th September 1995 and of its profit for the year then ended and have been properly prepared in accordance with requirements of the Companies Act 1985.

Church House  
5-14 South Road  
Smethwick  
Warley  
West Midlands  
B67 7BH

11th January 1996



John W. Hinks & Co.  
Chartered Accountants  
and Registered Auditor

TATHAM MILLER LIMITED  
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PROFIT AND LOSS ACCOUNT FOR THE YEAR 30TH SEPTEMBER 1995

	Notes	£	1995 £	1994 £
Turnover	2		10,698,464	9,196,748
Cost of sales			7,968,334	6,946,041
Gross profit			2,730,130	2,250,707
Distribution costs			932,474	826,580
Administrative expenses			1,170,076	1,006,831
Other operating expenses			404,679	357,168
			2,507,229	2,190,579
Operating profit	3		222,901	60,128
Profit on sale of asset held for realisation	8		-	68,635
			222,901	128,763
Interest	6		60,370	45,250
Profit on ordinary activities before taxation			162,531	83,513
Tax on profit on ordinary activities	7		56,927	77,620
Profit on ordinary activities for the financial year			105,604	5,893
Dividends	9		70,000	4,000
Retained profit for the year	19		35,604	1,893

None of the company's activities were acquired or discontinued during the above two financial years.

The notes on pages 8 to 15 form part of these accounts.



TATHAM MILLER LIMITED  
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TOTAL RECOGNISED GAINS AND LOSSES  
HISTORICAL COST PROFITS AND LOSSES  
MOVEMENT IN SHAREHOLDERS FUNDS \_\_\_\_\_ FOR THE YEAR ENDED 30TH SEPTEMBER 1995\_

Statement of total recognised gains  
and losses

There are no recognised gains and losses other than the profit  
for the financial year.

Note of historical cost profits and losses

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Profit on ordinary activities before taxation	162,531	83,513
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	8,116	8,116
	<u>170,647</u>	<u>91,629</u>
Historical cost profit on ordinary activities before tax		
	<u>43,720</u>	<u>10,009</u>
Historical cost transfer to reserves		
Reconciliations of movements in shareholders funds		
Profit attributable to shareholders for the year	105,604	5,893
Dividends	70,000	4,000
	<u>35,604</u>	<u>1,893</u>
Net addition to shareholders fund		
Opening shareholders funds	1,698,028	1,696,135
	<u>1,733,632</u>	<u>1,698,028</u>
Closing shareholders fund		

**TATHAM MILLER LIMITED**  
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**BALANCE SHEET**

**30TH SEPTEMBER 1995**

	<u>Notes</u>	<u>£</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
<b>Fixed assets</b>				
Tangible assets	10		1,069,206	950,128
<b>Current assets</b>				
Stocks	14	1,576,096		1,101,041
Debtors	15	2,618,048		2,312,415
Cash at bank and in hand		719		589
		<u>4,194,863</u>		<u>3,414,045</u>
<b>Creditors: amounts due within one year</b>	16	<u>3,518,375</u>		<u>2,657,814</u>
<b>Net current assets</b>			<u>676,488</u>	<u>756,231</u>
<b>Total assets less current liabilities</b>			<u>1,745,694</u>	<u>1,706,359</u>
<b>Provisions for liabilities and charges</b>	17		<u>12,062</u>	<u>8,331</u>
<b>Net assets</b>			<u>1,733,632</u>	<u>1,698,028</u>
<b>Capital and reserves</b>				
Called up share capital	18		257,000	257,000
Revaluation reserve	19		595,497	595,497
Profit and loss account	19		881,135	845,531
<b>Shareholders' funds</b>			<u>1,733,632</u>	<u>1,698,028</u>

These financial statements were approved on behalf of the Board on 11th January 1996.

M E SARA )

) DIRECTORS

H C EVERETT )

The notes on pages 8 to 15 form part of these accounts.

1. **Accounting policies**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) **Basis of accounting**

The financial statements are prepared under the historical cost convention modified to include valuation of freehold and leasehold properties, and in accordance with applicable accounting standards.

(b) **Depreciation**

Depreciation is provided to write off the cost or valuation of the fixed assets excluding land in equal annual instalments at the following rates:-

Freehold and long leasehold property	- 2%
Fixtures and equipment	- 10%
Motor vehicles	- 25%

(c) **Stocks**

Stocks are valued at the lower of cost and estimated net realisable value.

(d) **Deferred tax**

Provision is made in respect of timing differences arising from accelerated capital allowances and other timing differences to the extent that such liabilities are, in the opinion of the directors, expected to become payable in the foreseeable future. No provision is made for any possible liability on the future sales of properties at their re-valued book figures as it is intended that such properties will be retained for use in the business.

(e) **Turnover**

This represents the value of goods sold less returns excluding value added tax.

(f) **Leased assets**

With respect to finance leases, the relevant assets are capitalised and the corresponding liability is included as an obligation. The depreciation policy shown above is adopted in respect of such assets and the interest content of the agreements is charged to the profit and loss account. Rental payments in respect of all other assets are charged to the profit and loss account on a straight line basis.

(g) **Pension scheme**

Contributions are charged to the profit and loss account so as to spread the cost of pension evenly over the members' working lives with the company.

**TATHAM MILLER LIMITED**  
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30TH SEPTEMBER 1995

2. Turnover and profit

The whole of the turnover and profit is derived from the principal activities of the business, carried on in the United Kingdom.

3. Operating profit

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Operating profit is stated after charging:		
Depreciation:- tangible fixed assets owned	108,596	86,506
held under finance leases	2,788	5,579
Hire of plant and equipment	102,921	103,736
Auditors' remuneration	8,000	8,000
Loss on sale of fixed assets	-	4,819
	<u>          </u>	<u>          </u>
and after crediting:		
Profit on sale of fixed assets	6,479	-
	<u>          </u>	<u>          </u>

4. Directors remuneration

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Remuneration as executives (including pension contributions) being total remuneration in arriving at operating profit	53,731	47,633
	<u>          </u>	<u>          </u>

Analysis of directors remuneration as executives (excluding pension contributions) is as follows:

Highest paid director	48,535	52,638
	<u>          </u>	<u>          </u>
Other directors	Number	<u>Number</u>
£0 - £ 5,000	3	3
	<u>          </u>	<u>          </u>

**TATHAM MILLER LIMITED**  
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30TH SEPTEMBER 1995

	<u>1995</u>	<u>1994</u>
5. Particulars of employees		
The average number of persons employed by the company (including directors) all of whom were involved in the principal activity was:-	99	94
	<u>£</u>	<u>£</u>
Their total remuneration was:		
Wages and salaries	1,207,499	1,097,210
Social security costs	93,776	86,787
Other pension costs	53,773	53,325
	<u>1,355,048</u>	<u>1,237,322</u>
6. Interest		
Payable		
On loans and overdrafts repayable: within 5 years, not by instalments	60,370	45,250
7. Taxation		
Corporation tax at 33% (1994 - 33%)	53,196	82,556
Deferred tax	3,731	(4,936)
	<u>56,927</u>	<u>77,620</u>
The tax charge for 1994 includes an exceptional charge of £69,648 arising as a result of the profit on disposal of the asset held for realisation.		
8. Profit on sale of asset held for realisation	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Profit on sale of asset held for realisation	-	68,635
9. Dividend proposed		
Dividend proposed on 257,000 shares of £1 each	<u>70,000</u>	<u>4,000</u>

**TATHAM MILLER LIMITED**  
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30TH SEPTEMBER 1995

10. Tangible fixed assets

	<u>Freehold property</u>	<u>Leasehold property</u>	<u>Plant equipment &amp; vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
a. Cost (or valuation)				
At 30th September 1994	635,000	125,000	752,598	1,512,598
Additions	-	-	231,947	231,947
Disposals	-	-	(131,680)	(131,680)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30th September 1995	635,000	125,000	852,865	1,612,865
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Depreciation				
At 30th September 1994	27,600	6,000	528,870	562,470
Provision for the year	9,200	2,000	100,184	111,384
Disposals	-	-	(130,195)	(130,195)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30th September 1995	36,800	8,000	498,859	543,659
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net book value at 30th September 1995	598,200	117,000	354,006	1,069,206
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net book value at 30th September 1994	607,400	119,000	223,728	950,128
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company's freehold and leasehold properties were valued by Sellers, Chartered Surveyors on 30th September 1991.

b. The cost or valuation figures for property relate to a valuation made in 1991.

c. The amount of revalued property as determined according to the historical cost accounting rule is:-

	<u>Leasehold 1995</u>	<u>Freehold 1995</u>	<u>Leasehold 1994</u>	<u>Freehold 1994</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost	102,250	105,112	102,250	105,112
Depreciation	26,120	33,141	25,066	31,111
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net Book Value	76,130	71,971	77,184	74,001
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**TATHAM MILLER LIMITED**  
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30TH SEPTEMBER 1995

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
<b>10. Tangible fixed assets (continued)</b>		
d. The net book value of freehold property comprises:		
Freehold land	175,000	175,000
Freehold buildings	423,200	432,400
	<u>598,200</u>	<u>607,400</u>
Leasehold over 50 years	117,000	119,000
	<u>117,000</u>	<u>119,000</u>
<b>11. Investments</b>		
Shares at cost in subsidiaries	257,100	257,100
Amounts written off	(10,000)	(10,000)
Current account balances	(247,100)	(247,100)
	<u>-</u>	<u>-</u>

The wholly owned subsidiaries at 30th September 1995 each of which were incorporated in Great Britain were:-

Paget Miller Limited  
Tatham Steels Limited  
Liverpool Steel Services Limited  
J Garland & Co. Limited  
John Garland Steel Processing Limited  
JPS Steel Supplies Limited

None of the subsidiaries have traded in the year.

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
<b>12. Capital commitments</b>		
Authorised but not contracted	90,000	90,000
Authorised and contracted	3,500	15,000
	<u>93,500</u>	<u>105,000</u>

**TATHAM MILLER LIMITED**  
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13. Fixed asset held for realisation	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Cost at 30th September 1994	-	152,303
Disposals (note 8)	-	(152,303)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
14. Stocks		
Raw materials and consumables	1,576,096	1,101,041
	<hr/>	<hr/>
15. Debtors	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Trade debtors	2,498,327	2,206,453
Amounts owed by group undertakings	23,774	37,184
Other debtors	4,755	3,198
Prepayments and accrued income	91,192	65,580
	<hr/>	<hr/>
	2,618,048	2,312,415
	<hr/>	<hr/>
16. Creditors: (amounts due within one year)		
Bank loans and overdrafts	844,666	409,066
Trade Creditors	1,947,569	1,708,648
Amounts owed to group undertakings	370,918	282,689
Other Taxes and Social Security	109,600	114,514
Accruals	122,472	56,341
Corporation tax	53,150	82,556
Proposed dividend	70,000	4,000
	<hr/>	<hr/>
	3,518,375	2,657,814
	<hr/>	<hr/>



**TATHAM MILLER LIMITED**  
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30TH SEPTEMBER 1995

**17. Provision for liabilities and charges**

**Deferred taxation**

The amount provided for deferred taxation is as follows:-

Accelerated capital allowances	<u>£</u>
Balance at 30th September 1994	8,331
Movement in year	3,731
Balance at 30th September 1995	<u>12,062</u>

The additional potential liability for deferred taxation not provided is as follows:-

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Industrial building allowances	22,500	24,000
Surplus on revaluation of property	10,000	10,000
	<u>32,500</u>	<u>34,000</u>

**18. Share capital**

Authorised 500,000 shares of £1	<u>500,000</u>	<u>500,000</u>
Called up and fully paid 257,000 shares of £1	<u>257,000</u>	<u>257,000</u>

**19. Reserves**

	<u>Revaluation</u> <u>Reserve</u> <u>£</u>	<u>Profit</u> <u>and Loss</u> <u>Account</u> <u>£</u>
At 30th September 1994	595,497	845,531
Profit for the year	-	35,604
At 30th September 1995	<u>595,497</u>	<u>881,135</u>

**TATHAM MILLER LIMITED**  
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30TH SEPTEMBER 1995

**20. Contingent liabilities**

- a. The company is a party to guarantees given for bank loans and overdrafts of the parent company and certain fellow subsidiaries.
- b. The company is involved in a legal dispute with a supplier. There is no indication that this dispute will be decided unfavourably and as a consequence no provision has been made in these financial statements for any further liabilities that may be incurred as a result of this action.

**21. Financial commitments**

At 30th September 1995 the company had annual commitments under non-cancellable operating leases as detailed below:

	<u>1995</u>		<u>1994</u>	
	<u>Land and buildings</u>	<u>Other</u>	<u>Land and buildings</u>	<u>Other</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Operating leases which expire:				
within one year	25,000	40,171	6,750	24,985
between one and five years	24,000	56,739	25,000	65,937
In five years or more	42,800	-	30,800	-
	<u>91,800</u>	<u>96,910</u>	<u>62,550</u>	<u>90,922</u>

**22. Pension scheme arrangements**

The company is a subsidiary of Hill & Smith Holdings PLC and is a member of the Hill & Smith Group Pension and Assurance Scheme. This is a defined benefit scheme, contributions being based on pension costs across the group as a whole.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method. The most recent actuarial valuation was at 5th April 1994. Details of this actuarial valuation are disclosed in the financial statements of Hill & Smith Holdings PLC.

The pension cost for the period was equal to £53,773 (1994 - £53,325). The company contributions for the year were equal to the pension cost.

**23. Parent company**

The company is a wholly owned subsidiary of Hill & Smith Holdings PLC, a company registered in England.