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HADFIELDS HOLDINGS LIMITED

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REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 1984

1. The directors present herewith the audited accounts for the year ended 31 December 1984.

2. Activities and results

The principal activity of the company is that of an investment holding company and on 14 July 1983 it entered into a conditional agreement to purchase the entire share and loan capital of Hadfields Limited. This agreement became unconditional on 18 November 1983 and the costs of this investment are set out in note 1 to the accounts. Hadfields Limited ceased production in March 1984 and its subsidiary company, Marton Steels Limited, ceased to trade in June 1984.

Provision was made in the 1983 accounts to write down the value of the investment. No further provision has been made for the costs of closure of these subsidiaries as it is expected that cash generated from the sale of assets and receipt of government grants will be sufficient to cover the costs involved.

3. Directors

The following Directors served during the period:

G C G Wilkinson  
A D P Milne  
D N McCarthy  
T L Adams  
P W Wilson

4. Directors' interests in shares of the Company

No director has any beneficial interest in the shares of the company within the meaning of Section 325 of the Companies Act 1985.

5. Dividends

The directors do not recommend the payment of a dividend.

6. Close Company Provisions

As far as the directors are aware, the close company provisions of the Income and Corporation Taxes Act 1970, as amended, do not apply to the company. There has been no change in this respect since the end of the financial year.



7. Auditors

A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.

By order of the Board

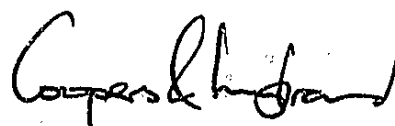


D N BRIGHT  
Secretary

9 Albert Embankment  
London SE1 7SN

REPORT OF THE AUDITORS TO THE  
MEMBERS OF HADFIELDS HOLDINGS LIMITED

1. We have audited the accounts of the company set out on pages 4 to 7 and the group accounts, which comprise the accounts of the company and the accounts of its wholly owned subsidiaries which are reproduced on pages 8 to 40, in accordance with approved auditing standards. These accounts have been prepared under the historical cost convention.
2. Full provision has been made in the company's accounts against the cost of the investment in the immediate subsidiary Hadfields Limited, recognising the estimated costs and losses that will arise from the closures of that company and its wholly owned subsidiary Marton Steels Limited. As explained in note 1, the future closure costs and losses, and hence the amount of the provision required in these accounts, are subject to a degree of uncertainty.
3. Subject to any adjustments that may be required when the costs and losses referred to above are determined, in our opinion the accounts give a true and fair view of the state of affairs of the company and the group as at 31 December 1984 and of the results of the group for the period then ended and comply with the Companies Act 1985.



COOPERS & LYBRAND

Chartered Accountants

London

6 December 1985

## HADFIELDS HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1984

	<u>Notes</u>	<u>1984</u> £	<u>1983</u> £
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year		-	84,329
Amount owed by subsidiary company		-	-
Investments	1	25,250	-
Cash at bank and in hand		25,250	84,329
Creditors: Amounts falling due within one year	2	(3,548,171)	(8,032,250)
<b>NET CURRENT LIABILITIES</b>		(3,522,921)	(7,947,921)
Creditors: Amounts falling due after more than one year	3	(7,250,000)	(2,825,000)
		(10,772,921)	(10,772,921)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	100,000	100,000
Profit and loss account		(10,872,921)	(10,872,921)
		(10,772,921)	(10,772,921)

These accounts were approved by the Board on 6th December 1985.

Directors:

*Geoffrey C. G. Williams*  
*Paulson*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1984

	<u>1984</u> £	<u>1983</u> £
Extraordinary charges	-	(10,872,921)
Amount written off investments	-	(10,872,921)
<b>Loss for period</b>	-	(10,872,921)

The notes on pages 5 to 7 form part of these accounts  
Auditors' Report - Page 3

HADFIELDS HOLDINGS LIMITEDNOTES TO THE ACCOUNTS - 31 DECEMBER 19841. Investments

By a conditional agreement dated 14 July 1983 the company purchased the entire share and loan capital of Hadfields Limited. This agreement became unconditional on 18 November 1983. In March 1984 Hadfields Limited ceased production, and its subsidiary company, Marton Steels Limited, ceased to trade in June 1984. Full provision has been made in the accounts of those companies for all costs and losses which have been defrayed or are expected to be incurred in connection with their closure. Where appropriate, these costs and losses have been reduced by Government grants receivable under Section 8 of the Industrial Development Act 1982. The directors are satisfied that the provisions for future costs and losses have been prepared on a reasonable basis after taking into account professional advice where appropriate, but they necessarily include estimates which are subject to a degree of uncertainty. The audit reports on the accounts of the companies are qualified in respect of this uncertainty.

In view of the foregoing, the investment in Hadfields Limited has been provided against in full. This apart, no provision has been made in these accounts for the costs of closure of these companies as it is expected that the cash generated from the sale of assets and receipt of Government grants will be sufficient to cover the costs involved. However, this expectation and, hence the amount of the provision required in these accounts, is subject to a degree of uncertainty, as explained above.

Hadfields Limited and Marton Steels Limited are incorporated in Great Britain and their principal activities were the manufacture of engineering steels in billets and bars.

The subsidiaries have year-ends of 30 September, three months earlier than the year-end of the company. The aggregate capital and reserves of the subsidiaries at 30 September 1984 and their losses for the year then ended, as disclosed in their audited accounts were as follows:-

	<u>Hadfields Limited</u>	<u>Marton Steels Limited</u>
	£	£
Capital and reserves	(5,003,818)	(453,706)
Loss for the year	(9,697,147)	(637,556)

Consolidated accounts have not been prepared on the grounds that control of the subsidiaries is intended to be temporary, as allowed by Statement of Standard Accounting Practice No.14. However, group accounts are still required by the Companies Act 1985, and therefore the accounts of both subsidiary companies are attached to these accounts.

HADFIELDS HOLDINGS LIMITEDNOTES TO THE ACCOUNTS - 31 DECEMBER 1984 (cont'd)1. Investments - continued

	<u>Shares in Group Companies</u>		<u>Loan Stock</u>	<u>Total</u>
	<u>New</u>	<u>Deferred</u>		
	<u>Ordinary</u>			
	£	£	£	£
Unlisted				
Cost	3,933,410	5,000	6,934,511	10,872,921
Provision	(3,933,410)	(5,000)	(6,934,511)	(10,872,921)
Net book value	-	-	-	-

2. Creditors: Amounts falling due within one year

	1984	1983
	£	£
Promissory note	-	5,575,000
Amounts owed to subsidiary company	1,348,171	-
Other creditors	2,200,000	2,457,250
	<u>3,548,171</u>	<u>8,032,250</u>

The amounts due have been guaranteed by British Steel Corporation.

3. Creditors: Amounts falling due after more than one year

	1984	1983
	£	£
Unsecured loan stock	7,250,000	625,000
Other creditors	-	2,200,000
	<u>7,250,000</u>	<u>2,825,000</u>

The unsecured loan stock carries interest at 10% p.a. which has been waived by the stockholders until such time as the stockholders jointly notify the company to the contrary. The loan stock is due to be repaid on 31 December 1993 but may be repaid in whole or in part at any time.

4. Called up share capital

	1984	1983
	£	£
Authorised, issued, called up, allotted, and fully paid shares of £1 each	<u>100,000</u>	<u>100,000</u>

HADFIELDS HOLDINGS LIMITEDNOTES TO THE ACCOUNTS - 31 DECEMBER 1984 (Cont'd)5. Directors' remuneration

No director received remuneration during the period in respect of his services to the company.

6. Auditors' remuneration

British Steel Corporation has agreed to bear the cost of auditors' remuneration.

7. Staff

The company did not employ any staff over the period covered by these accounts (1984: Nil).

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MARTON STEELS LIMITEDREPORT OF THE DIRECTORS FOR THE YEAR ENDED 29TH SEPTEMBER 1984

1 The directors submit their report together with the audited accounts for the year ended 29th September 1984.

Result and dividends

2 The loss for the year, attributable to shareholders, amounted to £637,556. Details of this result are set out in the profit and loss account on page 4.

The directors do not recommend payment of a dividend and the loss of £637,556 will be deducted from reserves.

Principal activities and review of the business

3 The principal activities of the company at the 30th September 1983 were steel stockholding and heat treatment. On 25th November, 1983 it was announced that the company's activities would cease during the year and that the closure would be phased to permit the completion of all outstanding orders and the orderly transfer of business to other steel stockholders in the United Kingdom.

4 On 30th September 1984 the assets and liabilities of the company were transferred into the immediate holding company, Hadfields Limited. With effect from this date the company ceased operations and is now dormant.

Tangible fixed assets

5 The movements in tangible fixed assets are set out in note 11 to the accounts. During the year the company disposed of most of its plant and machinery, fixtures, fittings and equipment.

Directors

6 The following directors held office during the year:-

B. I. Pinkney	- resigned 30th April 1984
G. Marvill	- resigned 30th June 1984
M. T. Titterton	- resigned 30th June 1984
B. Powell	- resigned 6th April 1984
A. Bedford	- appointed 6th April 1984
P. W. Wilson	- appointed 1st May 1984

In accordance with the Articles of Association, A. Bedford and P. W. Wilson, being appointed directors after the last annual general meeting, retire and, being eligible, offer themselves for re-election.



MARTON STEELS LIMITEDREPORT OF THE DIRECTORS FOR THE YEAR ENDED 29TH SEPTEMBER 1984Directors interests in shares

7 According to the register required to be kept under section 29 of the Companies Act, 1967, none of the directors had any beneficial interest in the shares of the company during the year.

Employment of disabled persons and employee involvement

8 During the year the company gave full consideration to the employment of disabled persons, and gave full information on matters of concern to all employees.

Close company

9 The company is not a close company within the provisions of the Income and Corporation Taxes Act, 1970, as amended; there has been no change in this respect since 29th September 1984.

Auditors

10 A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

M R Lindsay

Secretary

East Hecla Works  
Sheffield  
S9 1TZ

29th May, 1985

REPORT OF THE AUDITORS TO THE MEMBERS OF MARTON STEELS LIMITED

1 We have audited the accounts set out on pages 4 to 14 in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings.

2 Full provision has been made in these accounts for the estimated costs and losses expected to be incurred in connection with the closure of the company. As explained in note 10, these costs and losses, which are shown in the profit and loss account as extraordinary items, include provisions made by the directors which are subject to a degree of uncertainty.

3 Subject to any adjustments that may be required when the costs and losses referred to in paragraph 2 above are determined, in our opinion the accounts give a true and fair view of the state of affairs of the company at 29th September 1984 and of the results and source and applications of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

Coopers & Lybrand

Chartered Accountants

Sheffield

29th May 1985

MARTON STEELS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 29TH SEPTEMBER 1984

	<u>Note</u>	<u>1984</u>	<u>1983</u>
		£	£
Turnover	3	1,653,657	3,021,324
Cost of sales		<u>1,358,409</u>	<u>2,439,985</u>
Gross profit		295,248	581,339
Distribution and administration costs	4	<u>253,858</u>	<u>453,060</u>
Profit on ordinary activities before taxation	5	41,390	128,279
Taxation on profit on ordinary activities	9	<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		41,390	128,279
Extraordinary items	10	<u>(678,946)</u>	<u>-</u>
(DEFICIT)/RETAINED PROFIT FOR THE YEAR		<u>(637,556)</u>	<u>128,279</u>

STATEMENTS OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT

Retained profits at 1st October 1983	182,350	54,071
(Deficit)/Retained Profit for the year	<u>(637,556)</u>	<u>128,279</u>
ACCUMULATED DEFICIT AT 29TH SEPTEMBER 1984	<u>(455,206)</u>	<u>182,350</u>

The notes on pages 7 to 14 form part of these accounts.

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MARTON STEELS LIMITEDBALANCE SHEET AT 29TH SEPTEMBER 1984

	<u>Note</u>	<u>1984</u> £	<u>1983</u> £
Fixed assets			
Tangible assets	11	<u>6,401</u>	<u>155,172</u>
		<u>6,401</u>	<u>155,172</u>
Current assets			
Stocks	12	-	1,021,011
Debtors	13	197,557	953,188
Leasing equalisation account		-	94,508
Cash at bank and in hand		<u>51,190</u>	<u>96,734</u>
		<u>248,747</u>	<u>2,165,441</u>
Creditors: Amounts falling due within one year	14	<u>(708,854)</u>	<u>(1,018,023)</u>
Net current (liabilities)/assets		<u>(460,107)</u>	<u>1,147,418</u>
Total assets less current liabilities		<u>(453,706)</u>	<u>1,302,590</u>
Creditors: Amounts falling due after more than one year:			
Amount due to immediate holding company		<u>-</u>	<u>(1,118,740)</u>
		<u>(453,706)</u>	<u>183,850</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,500	1,500
Profit and loss account		<u>(455,206)</u>	<u>182,350</u>
		<u>(453,706)</u>	<u>183,850</u>

These accounts were approved by the board of Directors on 29th May 1985

A. BEDFORD )  
 ) Directors  
 P. W. WILSON )

The notes on pages 7 to 14 form part of these accounts.  
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MARTON STEELS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 29TH SEPTEMBER 1984

	<u>1984</u> £	<u>1983</u> £
<u>SOURCE OF FUNDS</u>		
Profit on ordinary activities		
before taxation	41,390	128,279
Extraordinary items	<u>(678,946)</u>	<u>-</u>
	(637,556)	128,279
Adjustments for items not involving the movement of funds:		
Depreciation	17,304	35,538
Accelerated depreciation	<u>93,706</u>	<u>-</u>
Total (absorbed by)/generated from operations	(526,546)	163,817
Funds from other sources:		
Proceeds from sales of fixed assets	<u>39,661</u>	<u>401,230</u>
	(486,885)	565,047
<u>APPLICATION OF FUNDS</u>		
Purchase of fixed assets	-	(18,144)
Decrease in creditors: amounts due after more than one year	<u>(1,118,740)</u>	<u>(401,229)</u>
(DECREASE)/INCREASE IN WORKING CAPITAL	<u>(1,605,625)</u>	<u>145,674</u>
<u>COMPONENTS OF (DECREASE)/INCREASE IN WORKING CAPITAL</u>		
Stocks	(1,021,011)	(62,197)
Debtors	(755,631)	307,148
Leasing equalisation account	(92,608)	(13,693)
Creditors: amounts due within one year	309,169	(160,024)
Movements in net liquid funds		
Cash at bank and in hand	<u>(45,544)</u>	<u>74,440</u>
	<u>(1,605,625)</u>	<u>145,674</u>

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MARTON STEELS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 19841 Basis of preparation of accounts

(a) The accounts have been prepared on the basis of a cessation following the decision to cease production during the year.

(b) Fixed and current assets have been written down to the directors' estimate of their net realisable values and full provision has been made for all costs and losses anticipated to be incurred after the date of cessation of production, including redundancy and severance payments. The directors are satisfied that these values and provisions have been prepared on a reasonable basis after taking into account, where appropriate, professional advice, but at this time they include estimates which are subject to a degree of uncertainty.

(c) All costs and losses associated with the cessation of the company's activities have been charged as extraordinary items in the profit and loss account (note 10).

2 Principal accounting policies

As in previous years the accounts are prepared in accordance with the historical cost convention, including the revaluation of freehold properties and certain plant and machinery.

The following is a summary of the more important accounting policies used by the company:

(a) Turnover

Turnover represents the invoiced value of goods and services, net of discounts, allowances and value added tax up until the date at which production ceased. All revenues subsequent to this date have been treated as part of extraordinary items.

(b) Tangible fixed assets

Depreciation was calculated and provided up to the date of cessation of production at rates intended to write off the cost or valuation of fixed assets on a straight line basis over the then expected useful lives of the assets concerned. The principal rates used for this purposes were as follows:

Plant and machinery	6.67% - 12.67%
Fixtures, fitting and equipment	20% - 25%

As stated in note 1, fixed assets remaining at the end of the year are included at the directors' estimates of their net realisable values.

MARTON STEELS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDING 29TH SEPTEMBER 1984(c) Deferred taxation

Provision is made for deferred taxation under the liability method at the rates of tax for the years in which the liabilities are expected to arise, except to the extent that any tax reduction can reasonably be expected to continue for the foreseeable future.

3 Turnover

The analysis of turnover by geographical area is as follows:

	<u>1984</u> £	<u>1983</u> £
United Kingdom	1,646,219	3,001,704
Europe	<u>7,438</u>	<u>19,620</u>
	<u>1,653,657</u>	<u>3,021,324</u>

All of the above turnover is derived from the stockholding and heat treatment activities of the company.

4 Distribution and administration costs

	<u>1984</u> £	<u>1983</u> £
Distribution costs	158,742	274,199
Administration costs	<u>95,116</u>	<u>178,861</u>
	<u>253,858</u>	<u>453,060</u>

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging;

	<u>1984</u> £	<u>1983</u> £
Depreciation of tangible fixed assets	17,304	35,538
Directors emoluments (note 6)	29,027	55,379
Hire of plant and machinery	1,836	3,464
Auditors' remuneration	3,750	7,500
Group management charges	12,500	25,000

MARTON STEELS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 1984

6	<u>Directors emoluments</u>	<u>1984</u>	<u>1983</u>
		£	£
	Directors' remuneration	34,238	46,036
	Pension costs	6,317	9,343
	Termination of service contracts	82,735	-
		<u>123,290</u>	<u>55,379</u>

Of the above emoluments, £94,263 has been dealt with as an extraordinary item (1983 -nil).

7 Directors' emoluments

Particulars of emoluments of directors disclosed in accordance with sections 6 and 7 of the Companies Act 1967 are:

Chairman	£ NIL	£ NIL
Highest paid director	£13,447	£17,062

The remuneration of the directors fell within the following ranges:

£0 - £5,000	3	2
£5,001 - £10,000	1	-
£10,001 - £15,000	2	1
£15,001 - £20,000	-	1

8 Staff numbers and costs

The average number of persons employed by the company (including executive directors) during the year was as follows:

	<u>1984</u>		<u>1983</u>
	<u>Pre-closure</u>	<u>Post-closure</u>	
Management, admin. and sales	12	3	5
Production	23	1	30
	<u>35</u>	<u>4</u>	<u>35</u>



MARTON STEELS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 19848 Staff numbers and costs (Continued)

The aggregate payroll cost was as follows:

	<u>1984</u>	<u>1983</u>
	£	£
Wages and Salaries	164,715	234,810
Social security costs	15,366	23,564
Other pension costs	<u>16,692</u>	<u>17,910</u>
	<u>£196,773</u>	<u>£276,284</u>

Of the above wages and employment costs, £39,045 has been dealt with as an extraordinary item (1983 - fnil).

9 Taxation

No provision for corporation tax is required as the taxable profits for the year are covered by relief for certain costs charged as extraordinary items.

10 Extraordinary items

Following the decision to cease production at the company during the year full provision has been made in these accounts for all costs and losses which have been defrayed or are expected to be incurred in connection with these closures. Where appropriate, these costs and losses have been reduced by Government grants receivable under Section 8 of the Industrial Development Act 1982. The directors are satisfied that the provisions for future costs and losses have been prepared on a reasonable basis after taking into account professional advice where appropriate, but they necessarily include estimates which are subject to a degree of uncertainty.

MARTON STEELS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 198410 Extraordinary items (Continued)

The amounts provided as extraordinary items are as follows:

	<u>1984</u> £	<u>1983</u> £
Loss on disposal of fixed assets	85,531	-
Provisions to write down fixed assets (£93,706) and current assets (£343,179) to estimated net realisable values	436,885	-
Provision for operating costs and losses relating to the discontinuance of activities	104,674	-
Provisions and costs relating to redundancy and severance payments to employees	<u>155,489</u>	<u>-</u>
	782,579	-
Less: Grants received and receivable under section 8 of the Industrial Development Act 1982	<u>(103,633)</u>	<u>-</u>
	678,946	-
Less taxation	<u>-</u>	<u>-</u>
Total extraordinary items	<u><u>£678,946</u></u>	<u><u>-</u></u>

Certain of the above charges may not be allowable for taxation purposes. The remainder are available to offset taxable profits on ordinary activities.

MARTON STEELS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 198411 Tangible fixed assets

	<u>Plant and machinery</u> £	<u>Fixtures fittings and equipment</u> £	<u>Total</u> £
Cost or valuation:			
At 1st October 1983	237,095	82,377	319,472
Disposals	(234,095)	(53,449)	(287,544)
At 29th September 1984	<u>3,000</u>	<u>28,928</u>	<u>31,928</u>
Depreciation:			
At 1st October 1983	127,948	36,352	164,300
Charge for year	8,462	8,842	17,304
Acclerated depreciation	71,351	22,355	93,706
Disposals	(207,761)	(42,022)	(249,783)
At 29th September 1984	<u>-</u>	<u>25,527</u>	<u>25,527</u>
Net book value			
At 29th September 1984	<u>3,000</u>	<u>3,401</u>	<u>6,401</u>
At 30th September 1983	<u>109,147</u>	<u>46,025</u>	<u>155,172</u>

12. Stocks and work in progress

	<u>1984</u> £	<u>1983</u> £
Raw materials and consumables	-	1,017,053
Work in progress	-	3,958
	<u>-</u>	<u>1,021,011</u>

MARTON STEELS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 198413 Debtors

	<u>1984</u> £	<u>1983</u> £
Amounts falling due within one year:		
Trade debtors	66,303	937,513
Amounts owed by immediate holding company	103,633	-
Amounts owed by related company	24,965	-
Prepayments and accrued income	<u>2,656</u>	<u>15,675</u>
	<u>197,557</u>	<u>953,188</u>

14 Creditors

	<u>1984</u> £	<u>1983</u> £
Amounts falling due within one year:		
Trade creditors (unsecured)	14,889	310,611
Amounts due to immediate holding company (note (a))	622,655	658,511
Amounts due to related company	5,295	-
Other creditors including taxation and social security (note (b))	15,284	32,827
Accruals (unsecured)	<u>50,731</u>	<u>16,074</u>
	<u>708,854</u>	<u>1,018,023</u>

(a) The amounts due to the immediate holding company, Hadfields Limited, comprise a short term interest-free loan which is repayable on demand.

(b) The creditor for taxation and social security does not include any amounts in respect of UK Corporation Tax payable (1983 - fnil).

15 Called up share capital

	<u>1984</u> £	<u>1983</u> £
Authorised:		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Issued and fully paid:		
1,500 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>

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MARTON STEELS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 1984

16 Pension commitments

The company, jointly with other companies, contributes to pension funds which cover the majority of its employees, including ex-directors. These schemes are separately administered by trustees. Contributions to these funds, which are charged against profits in the year in which they are payable, are based upon actuarial advice following the most recent valuation of the fund. Recent valuations have disclosed a surplus on a discontinuance basis for all the schemes.

17 Deferred taxation

There is no potential liability to deferred taxation at 29th September 1984 (1983 - £nil).

18 Ultimate holding company

Hadfields (Holdings) Limited, a company incorporated in Great Britain, is the ultimate holding company of Marton Steels Limited.

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HADFIELDS LIMITEDREPORT OF THE DIRECTORS FOR THE YEAR ENDED 29TH SEPTEMBER 1984

1. The directors submit their report together with the audited accounts for the year ended 29th September 1984.

Result and dividends

2. The loss for the year attributable to shareholders amounted to £9,697,147. Details of this result are set out in the profit and loss account on page 4. The directors do not recommend payment of a dividend and the loss of £9,697,147 will be deducted from reserves.

Principal activities and review of the business

3. The principal activities of the company at the 30th September 1983 were the manufacture of engineering steels in billets and bars. During the year the company ceased its manufacturing activities but has continued to sell its manufactured products.

Tangible fixed assets

4. The movements in tangible fixed assets are set out in note 13 to the accounts. During the year the company started the process of disposing of all its land, buildings, plant and equipment.

Share capital

5. By special resolutions passed on 18th November 1983 the following changes were made to the company's capital structure:

- (i) the previously issued 5,000,000 ordinary shares of £1 each in the company were converted into deferred shares of £1 each in the company.
- (ii) the sum of £5,000 was capitalised from the company's share premium account, and was applied in paying up in full at par 5,000 ordinary shares of £1 which were allotted and distributed amongst the holders of the original ordinary shares.

The above changes were made in connection with the acquisition of the company by Hadfields (Holdings) Limited.

HADFIELDS LIMITEDREPORT OF THE DIRECTORS FOR THE YEAR ENDED 29TH SEPTEMBER 1984Directors

6. The following directors held office during the year:

D. Bufton	)	
T. L. Adams	)	
B. Powell	)	resigned 6th April 1984
J. Woodhouse	)	
C. S. Birkinshaw	)	
A. Bedford	)	
P. W. Wilson	)	appointed 6th April 1984

In accordance with the Articles of Association, A Bedford and P W Wilson, being appointed directors after the last annual general meeting, retire and, being eligible, offer themselves for re-election.

Directors interests in shares

7. According to the register required to be kept under Section 29 of the Companies Act 1967, none of the directors had any beneficial interest in the shares of the company during the year.

Employment of disabled persons and employee involvement

8. During the year the company gave full consideration to the employment of disabled persons, and gave full information on matters of concern to all employees.

Close company

9. The company is not a close company within the provisions of the Income and Corporation Taxes Act 1970, as amended; there has been no change in this respect since 29th September 1984.

Auditors

10. A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

East Hecla Works  
Sheffield  
S9 1TZ

29th May 1985

By order of the board

  
M R LINDSAY

Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF  
HADFIELDS LIMITED

1 We have audited the accounts set out on pages 4 to 19 in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings.

2 Full provision has been made in these accounts for the estimated costs and losses expected to be incurred in connection with the closure of the company and its subsidiary. As explained in note 12, these costs and losses, which are shown in the profit and loss account as extraordinary items, include provisions made by the directors which are subject to a degree of uncertainty.

3 Subject to any adjustments that may be required when the costs and losses referred to in paragraph 2 above are determined, in our opinion the accounts give a true and fair view of the state of affairs of the company at 29th September 1984 and of the results and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

Coopers & Lybrand  
Chartered Accountants

Sheffield

29th May 1985



HADFIELDS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 29TH SEPTEMBER 1984

	<u>Note</u>	<u>1984</u>	<u>1983</u>
		£	£
Turnover	3	12,465,768	24,040,609
Cost of sales		<u>12,588,815</u>	<u>22,215,789</u>
		(123,047)	1,824,820
Gross (loss)/profit			
Distribution and administration costs	4	<u>1,187,676</u>	<u>2,608,470</u>
		(1,310,723)	(783,650)
Other operating income	5	<u>12,500</u>	<u>41,875</u>
OPERATING LOSS		(1,298,223)	(741,775)
Interest payable	6	<u>74,000</u>	<u>1,102,481</u>
Loss on ordinary activities before taxation	7	(1,372,223)	(1,844,256)
Taxation on loss on ordinary activities	11	<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(1,372,223)	(1,844,256)
Extraordinary items	12	<u>(10,351,669)</u>	<u>(155,896)</u>
Loss on ordinary activities after taxation & extraordinary items		(11,723,892)	(2,000,152)
Transfer from non-distributable reserves relating to previous valuations of properties	22	<u>2,026,745</u>	<u>87,479</u>
DEFICIT FOR THE YEAR		<u>(9,697,147)</u>	<u>(1,912,673)</u>

STATEMENT OF ACCUMULATED DEFICIT

Deficit at 1st October 1983	(1,731,671)	148,075
Deficit for the year	(9,697,147)	(1,912,673)
Depreciation on surplus over cost	<u>-</u>	<u>32,927</u>
DEFICIT AT 29TH SEPTEMBER 1984	<u>(11,428,818)</u>	<u>(1,731,671)</u>

The notes on pages 7 to 19 form part of these accounts.  
 Auditors' report page 3

HADFIELDS LIMITEDBALANCE SHEET AT 29TH SEPTEMBER 1984

	<u>Note</u>	1984 £	1983 £
Fixed assets			
Tangible assets	13	1,220,507	6,842,337
Investments- subsidiary	14	-	38,526
		<u>1,220,507</u>	<u>6,880,863</u>
Current assets			
Stocks	15	432,019	5,453,597
Debtors	16	1,248,508	7,518,573
Leasing equalisation account		-	239,490
Investments - short term	17	1,485,344	-
Cash at bank and in hand		<u>1,453</u>	<u>55,753</u>
		<u>3,167,324</u>	<u>13,267,413</u>
Creditors: Amounts falling due within one year	18	(2,186,138)	(6,476,749)
Net current assets		<u>981,186</u>	<u>6,790,664</u>
Total assets less current liabilities		2,201,693	13,671,527
Creditors: Amounts falling due after more than one year	19	(6,934,511)	(6,951,453)
Provisions for liabilities and charges	20	(271,000)	-
		<u>(5,003,818)</u>	<u>6,720,074</u>
 CAPITAL AND RESERVES			
Called up share capital	21	5,005,000	5,000,000
Share premium account	22	1,420,000	1,425,000
Revaluation reserve	22	-	2,026,745
Profit and loss account		<u>(11,428,818)</u>	<u>(1,721,671)</u>
		<u>(5,003,818)</u>	<u>6,720,074</u>

These accounts were approved by the board of Directors on 29th May 1985

A. BEDFORD ) *A. Bedford*

) Directors

P. W. FALSON ) *P. W. Falson*

The notes on pages 7 to 19 form part of these accounts.

Auditors' report page 3.

HADFIELDS LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSFOR THE YEAR ENDED 29TH SEPTEMBER 1984

	<u>1984</u> £	<u>1983</u> £
<u>SOURCE OF FUNDS</u>		
Loss on ordinary activities before taxation	(1,372,223)	(1,844,256)
Extraordinary items	<u>(10,351,669)</u>	<u>(155,896)</u>
	(11,723,892)	(2,000,152)
Adjustments for items not involving the movement of funds:		
Depreciation	248,124	476,243
Accelerated depreciation	1,466,141	-
Arising on revaluation	2,440,231	-
Loss on sale of fixed assets	972,802	22,937
Provision against investment in subsidiary	38,526	-
Provisions for liabilities and charges	<u>271,000</u>	<u>-</u>
Total absorbed by operations	(6,287,068)	(1,500,972)
Funds from other sources:		
Proceeds from sales of fixed assets	516,917	4,925,824
Long term loans	<u>-</u>	<u>6,951,453</u>
	(5,770,151)	10,376,305
<u>APPLICATION OF FUNDS</u>		
Purchase of fixed assets	(22,385)	(553,363)
Decrease in creditors: amounts due after more than one year	<u>(2,016,942)</u>	<u>-</u>
(DECREASE)/INCREASE IN WORKING CAPITAL	<u>(7,809,478)</u>	<u>9,822,942</u>
<u>COMPONENTS OF (DECREASE)/INCREASE IN WORKING CAPITAL</u>		
Stocks	(5,021,578)	(37,614)
Debtors	(6,270,065)	(440,802)
Leasing equalisation account	(239,490)	(56,766)
Creditors: amounts due within one year	<u>2,290,611</u>	<u>(747,728)</u>
	(9,240,522)	(1,282,910)
Movements in net liquid funds:		
Cash at bank and in hand	-(54,300)	53,178
Bank overdraft	-	11,052,674
Investments - short term	<u>1,485,344</u>	<u>-</u>
	<u>(7,809,478)</u>	<u>9,822,942</u>

HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 19841. Basis of preparation of accounts

(a) The accounts have been prepared on the basis of a cessation following the decision to cease production during the year.

(b) Fixed and current assets have been written down to the directors' estimate of their net realisable values and full provision has been made for all costs and losses anticipated to be incurred after the date of cessation of production, including redundancy and severance payments. The directors are satisfied that these values and provisions have been prepared on a reasonable basis after taking into account, where appropriate, professional advice, but at this time they include estimates which are subject to a degree of uncertainty.

(c) All costs and losses associated with the cessation of the company's activities have been charged as extraordinary items in the profit and loss account (note 12).

2. Principal accounting policies

As in previous years the accounts are prepared in accordance with the historical cost convention, including the revaluation of freehold properties and certain plant and machinery.

The following is a summary of the more important accounting policies used by the company:

(a) Turnover

Turnover represents the invoiced value of goods and services, net of discounts, allowances and value added tax up until the date at which production ceased. All revenues subsequent to this date have been treated as part of extraordinary items.

(b) Tangible fixed assets

Depreciation was calculated and provided up until the date at which production ceased at rates intended to write off the cost or valuation of fixed assets on a straight line basis over the then expected useful lives of the assets concerned. The principal rates used for this purpose were as follows:

Freehold buildings	2%
Plant and machinery	2.67% - 20%
Fixtures, fittings and equipment	10% - 33%

Freehold land and capital work in progress were not depreciated.

HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 1984(b) Tangible fixed assets (continued)

As stated in note 1, fixed assets remaining at the end of the year are included at the directors' estimates of their net realisable values.

(c) Investments in subsidiaries

The company has taken advantage of section 150(2)(a) of the Companies Act 1948 and not prepared consolidated accounts as it is a wholly owned subsidiary of Hadfields (Holdings) Limited.

Following the decision of the company's only subsidiary, Marton Steels Limited, to cease trading during the year, full provision has been made in these accounts against investments in and loans to this subsidiary, and these provisions form part of the extraordinary items set out in note 12.

(d) Stocks

Stocks are stated at the directors' estimate of net realisable value on a break-up basis, these values being lower than cost.

(e) Deferred taxation

Provision is made for deferred taxation under the liability method at the rates of tax for the years in which the liabilities are expected to arise, except to the extent that any tax reduction can reasonably be expected to continue for the foreseeable future.

(f) Foreign exchange

Assets and liabilities expressed in foreign currencies are translated into sterling at the appropriate rates of exchange ruling at the balance sheet date, or, where appropriate, at the rates of exchange at which forward contracts have been entered into. All differences on exchange are dealt with in the profit and loss account.

HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 19843. Turnover

The analysis of turnover by geographical area is as follows:

	<u>1984</u> £	<u>1983</u> £
United Kingdom	11,421,912	22,530,059
Europe	638,048	1,337,541
North America	397,862	173,009
Rest of World	7,946	-
	<u>12,465,768</u>	<u>24,040,609</u>

All of the above turnover is derived from the steelmaking and rolling activities of the company.

4. Distribution and administration costs

	<u>1984</u> £	<u>1983</u> £
Distribution costs	537,280	952,209
Administration costs	650,396	1,656,261
	<u>1,187,676</u>	<u>2,608,470</u>

5. Other operating income

	<u>1984</u> £	<u>1983</u> £
Group charges and group interest receivable	12,500	25,000
Interest receivable	-	16,875
	<u>12,500</u>	<u>41,875</u>

HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 19846. Interest payable

	<u>1984</u>	<u>1983</u>
	£	£
Bank overdraft	45,000	970,651
Holding company loan	-	60,419
Bills discounted	<u>29,000</u>	<u>71,411</u>
	<u>74,000</u>	<u>1,102,481</u>

7. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	<u>1984</u>	<u>1983</u>
	£	£
Loss on sales of fixed assets	-	2,994
Depreciation of tangible fixed assets	248,124	476,243
Directors' emoluments (note 8)	76,488	137,853
Hire of plant and machinery	141,151	148,000
Auditors' remuneration	12,500	23,500
Redundancies	-	246,379
Group management charges	-	160,000
Exceptional bad debts	-	197,589

8. Directors' emoluments

	<u>1984</u>	<u>1983</u>
	£	£
Directors' remuneration	58,753	128,855
Pension costs	17,735	33,974
Termination of service contracts	<u>265,968</u>	<u>31,967</u>
	<u>342,456</u>	<u>194,796</u>

Of the above emoluments, £265,968 has been dealt with as an extraordinary item (1983 - £56,943).

HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 19849. Directors' emoluments

Particulars of emoluments of directors disclosed in accordance with Section 6 & 7 of the Companies Act 1967, are as follows:

	<u>1984</u>	<u>1983</u>
	£	£
Chairman	NIL	NIL
Highest paid director	18,358	33,989
The remuneration of the directors fell within the following ranges:		
£0 - £5,000	3	1
£10,001 - £15,000	2	-
£15,001 - £20,000	2	1
£20,001 - £25,000	-	1
£25,001 - £30,000	-	2

10. Staff numbers and costs

The average number of persons employed by the company (including executive directors) during the year was as follows:

	<u>1984</u>	<u>1983</u>
	<u>Pre-closure</u>	<u>Post-closure</u>
Management, administration and sales	110	31
Production	490	3
	<u>600</u>	<u>34</u>
		<u>757</u>

The aggregate payroll cost was as follows:

	<u>1984</u>	<u>1983</u>
	£	£
Wages and salaries	3,442,319	6,582,806
Social security costs	270,756	527,787
Other pension costs	251,700	223,642
	<u>3,964,775</u>	<u>7,334,235</u>

Of the above wages and employment costs £249,858 has been dealt with as an extraordinary item (1983 - fnil).



HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 198411. Taxation

No provision for corporation tax is required as there is a taxable loss for the year.

The company has losses for corporation tax purposes of £4,544,000 (1983 - £5,659,000) of which £237,000 (worth £101,000) has been used to reduce the provision for deferred taxation (note 25). The balance of losses is available to reduce corporation tax payable on future profits of the trade in which they arise.

12. Extraordinary items

Following the decision to cease production at the company and its subsidiary, full provision has been made in these accounts for all costs and losses which have been defrayed or are expected to be incurred in connection with these closures. Where appropriate, these costs and losses have been reduced by Government grants receivable under Section 8 of the Industrial Development Act 1982. The directors are satisfied that the provisions for future costs and losses have been prepared on a reasonable basis after taking into account professional advice where appropriate, but they necessarily include estimates which are subject to a degree of uncertainty.

In addition, the company's freehold properties were revalued during the year (note 13). The amount by which the net book value of these properties exceeded the valuation has been written off fixed assets and included in extraordinary items.

HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 198412 Extraordinary items (Continued)

The amounts provided as extraordinary items are as follows:

	<u>1984</u>	<u>1983</u>
	£	£
Loss on disposal of fixed assets	972,802	-
Provisions to write down fixed assets (£3,906,372) and current assets (£1,001,376) to estimated net realisable values	4,907,748	-
Provision for operating costs and losses relating to the discontinuance of activities	1,835,418	45,896
Provisions and costs relating to redundancy and severance payments to employees	<u>4,156,300</u>	<u>110,000</u>
	11,872,268	155,896
Provision against investment in subsidiary (£38,526) and amounts due from subsidiary (£453,706)	492,232	-
Less: Grants received and receivable under section 8 of the Industrial Development Act 1982	(2,063,831)	-
Provision for deferred taxation on potential capital gains on freehold properties (note 25)	<u>51,000</u>	<u>-</u>
	<u>£10,351,669</u>	<u>155,896</u>

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HADFIELD'S LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 1984

13. Tangible fixed assets

(a) Summary

	<u>Freehold land and buildings</u>	<u>Plant and machinery</u>	<u>Fixtures fittings and equipment</u>	<u>Capital work in progress</u>	<u>Total</u>
	£	£	£	£	£
<b>Cost or valuation:</b>					
At 1st October 1983	4,449,421	7,598,439	458,980	38,962	12,545,802
Additions	-	22,385	-	-	22,385
Disposals	(762,790)	(1,986,651)	(439,574)	-	(3,189,015)
Reclassifications	-	38,962	-	(38,962)	-
Revaluation	(2,691,351)	-	-	-	(2,691,351)
At 29th September 1984	<u>995,280</u>	<u>5,673,135</u>	<u>19,406</u>	<u>-</u>	<u>6,687,821</u>
<b>Depreciation:</b>					
At 1st October 1983	302,720	5,155,688	245,057	-	5,703,465
Charge for year	32,106	181,838	34,180	-	248,124
Accelerated depreciation	-	1,466,141	-	-	1,466,141
Disposals	(83,706)	(1,351,662)	(263,928)	-	(1,699,296)
Revaluation	(251,120)	-	-	-	(251,120)
At 29th September 1984	<u>-</u>	<u>5,452,005</u>	<u>15,309</u>	<u>-</u>	<u>5,467,314</u>
Net book value					
At 29th September 1984	<u>995,280</u>	<u>221,130</u>	<u>4,097</u>	<u>-</u>	<u>1,220,507</u>
At 30th September 1983	<u>4,146,701</u>	<u>2,442,751</u>	<u>213,923</u>	<u>38,962</u>	<u>6,842,337</u>
<b>Analysis of cost or valuation at 29th September 1984:</b>					
Cost	-	5,368,404	19,406	-	5,387,810
At valuation:					
Up to 1977	-	304,731	-	-	304,731
1984	<u>995,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>995,280</u>
	<u>995,280</u>	<u>5,673,135</u>	<u>19,406</u>	<u>-</u>	<u>6,687,821</u>

HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 198413. Tangible fixed assets (continued)

(b) Freehold properties and plant and machinery have been written down to the directors' estimate of their net realisable values, based upon professional advice. The amount written off the net book value of properties in the above table is £2,440,231. This amount, together with the accelerated depreciation of £1,466,141 charged against plant and machinery, and the £972,802 loss on the disposal of fixed assets, is included in the extraordinary charge for the year (note 12).

14. Fixed assets - investment in subsidiary

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Shares at cost	<u>-</u>	<u>38,526</u>

The company owns the whole of the issued share capital of Marton Steels Limited, a company which is incorporated in Great Britain. The principal activities of Marton Steels were steel stockholding and heat treatment. The company ceased trading during the year. Consequently, the investment in the subsidiary company has been provided against in full and charged as an extraordinary item to the profit and loss account (note 12).

15. Stocks

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Raw materials and consumables	-	1,796,132
Work in progress and finished goods	<u>432,019</u>	<u>3,657,465</u>
	<u>432,019</u>	<u>5,453,597</u>

As set out at note 2(d) above, stocks are stated at the directors' estimate of net realisable value which is below cost.

HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 198416. Debtors

	<u>1984</u>	<u>1983</u>
	£	£
Amounts falling due within one year:		
Trade debtors	779,772	5,359,399
Amounts owed by holding company	-	53,010
Amounts owed by subsidiary	168,949	658,511
Amounts owed by related companies	237,476	-
Other debtors	55,048	244,630
Prepayments and accrued income	7,263	84,283
	<u>1,248,508</u>	<u>6,399,833</u>
Amounts falling due after more than one year:		
Amounts owed by subsidiary	-	1,118,740
	<u>1,248,508</u>	<u>7,518,573</u>

17. Investments - short term

	<u>1984</u>	<u>1983</u>
	£	£
Investment in fixed interest money market bank accounts maturing on 19th November 1984	<u>1,485,344</u>	<u>-</u>

18. Creditors - amounts falling due within one year

	<u>1984</u>	<u>1983</u>
	£	£
Bank overdraft	28,145	-
Bills of exchange payable	-	831,206
Trade creditors	459,803	3,177,788
Amounts due to holding company (note a)	439,597	-
Amounts due to subsidiary	103,633	-
Amounts due to related companies	75,950	-
Other creditors including taxation and social security (note b)	103,609	860,396
Accruals (note c)	<u>1,045,401</u>	<u>1,607,359</u>
	<u>2,186,138</u>	<u>6,476,749</u>

HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 198418. Creditors - amounts falling due within one year (continued)

- (a) The amount due to the holding company, Hadfields (Holdings) Limited comprises a short term interest-free loan which is repayable on demand.
- (b) The creditor for taxation and social security does not include any amounts in respect of UK Corporation Tax payable (1983 - £nil).
- (c) Accruals include £740,000 provided in respect of future closure costs that are anticipated in the next twelve months and comprise anticipated redundancy and severance payments of £200,000, contract cancellation charges of £10,000 and other closure costs and losses amounting to £530,000.

19. Creditors - amounts falling due after more than one year

	<u>1984</u> £	<u>1983</u> £
10% unsecured loan stock 1993	6,934,511	6,934,511
Other creditors (unsecured)	<u>-</u>	<u>16,942</u>
	<u>6,934,511</u>	<u>6,951,453</u>

The 10% unsecured loan stock 1993 is wholly owned by the holding company, Hadfields Holdings Limited. Although, during the year the 10% unsecured loan stock 1993 became repayable on demand under the terms of the constituting instrument, the holding company has confirmed that repayment will not be required before 30 September 1985. In addition the holding company has confirmed that it has waived its entitlement to interest for the period 11 July 1983 to 30 September 1984.

20. Provisions for liabilities and charges

As set out at note 18(c) above provision has been made, amounting to £740,000, for all future closure costs that are anticipated in the next twelve months. Provisions for liabilities and charges include a further £220,000 in respect of those costs and losses which are expected to be incurred more than one year after the balance sheet date, together with deferred taxation of £51,000 (note 25).

HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 198421. Called up share capital

	<u>1984</u> £	<u>1983</u> £
Authorised, issued and fully paid:		
Ordinary shares of £1 each	5,000	5,000,000
Deferred shares of £1 each	<u>5,000,000</u>	<u>-</u>
	<u>5,005,000</u>	<u>5,000,000</u>

Details of these changes in the company's share capital during the year are set out in paragraph 5 of the report of the directors.

22. Reserves

	<u>Share Premium Account</u> £	<u>Revaluation Reserve</u> £
At 1st October 1983	1,425,000	2,026,745
Bonus issue of shares (note 21)	(5,000)	-
Transfer to profit and loss account	<u>-</u>	<u>(2,026,745)</u>
	<u>1,420,000</u>	<u>-</u>

Movement in the profit and loss account are set out on page 4. The transfer to the profit and loss account arises as a result of the revaluation detailed at note 13(b).

23. Capital Commitments

	<u>1984</u> £	<u>1983</u> £
Contracted for, but not provided in the accounts	-	17,103
Authorised by the directors, but not yet contracted for	<u>-</u>	<u>27,863</u>
	<u>-</u>	<u>44,966</u>

HADFIELDS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH SEPTEMBER 198424. Pension commitments

The company, jointly with other companies, contributes to pension funds which cover the majority of its employees, including ex-directors. These schemes are separately administered by trustees. Contributions to these funds, which are charged against profit in the year which they are payable, are based upon actuarial advice following the most recent valuation of the fund.

Recent valuations have disclosed a surplus on a discontinuance basis for all the schemes.

25. Contingent liabilities

## Deferred taxation

In accordance with the deferred taxation policy of the company (note 1(e)) the potential liability and provision for deferred taxation at 29th September 1984, calculated at 42.5%, is as follows:

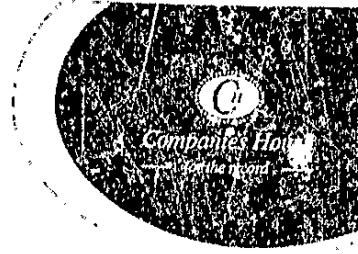
	1984		1983	
	Full potential liability	Provision made	Full potential liability	Provision made
	£	£	£	£
Excess capital allowances over depreciation provisions	101,000	101,000	1,601,000	-
Short term timing differences	-	-	125,000	-
Capital gains	51,000	51,000	524,000	-
	152,000	152,000	2,250,000	-
Tax losses available for offset	101,000	101,000	1,726,000	-
	<u>£51,000</u>	<u>£51,000</u>	<u>£524,000</u>	<u>-</u>

26. Ultimate Holding Company

Hadfields (Holdings) Limited, a company incorporated in Great Britain, is the ultimate holding company of Hadfields Limited.

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## NOTICE OF ILLEGIBLE DOCUMENTS

Companies House regrets that documents in this company's microfiche record have pages which are illegible.

This has been noted but unfortunately steps taken to rectify this were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.

### COMPANY INFORMATION SUPPLIED BY COMPANIES HOUSE

Companies House is a registry of company information. We carry out basic checks to make sure that documents received are fully completed and signed. But we do not have the statutory power or capability to verify the accuracy of the information that companies send to us. We accept as information that companies deliver to us in good faith and place it on the public record. The fact that the information has been placed on the public record should not be taken to indicate that Companies House has verified or validated it in any way.